Jennifer Wood Mayor

Chuck McGuire Mayor Pro Tem

J. Carlos Gomez Council Member

Bill Smith Council Member

Rick Warren Council Member



#### **AGENDA**

# CITY OF CALIFORNIA CITY SPECIAL JOINT MEETING OF THE SUCCESSOR AGENCY FOR THE CALIFORNIA CITY REDEVELOPMENT AGENCY AND THE CITY COUNCIL

Tuesday November 08, 2016

Closed Session 4:30 p.m. Special Joint Meeting 6:00 p.m.

Council Chambers 21000 Hacienda Blvd. California City, Ca 93505

If you need special assistance to participate in this meeting, please contact the City Clerk's office at (760) 373-7140. Notification of 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 American Disabilities Act Title II)

**NOTE:** Any writings or documents provided to a majority of the City Council regarding any item on this agenda is available for public inspection in the City Clerk's office at City Hall located at 21000 Hacienda Blvd, California City, Ca during normal business hours, except such documents that relate to closed session items or which are otherwise exempt from disclosure under applicable laws. These writings are also available for review in the public access binder in the Council Chambers at the time of the meeting.

**LATE COMMUNICATIONS:** Following the posting of the agenda any emails, writings or documents that the public would like to submit to the council must be received by the City Clerk no later than 3pm the Monday prior to the meeting. Past that deadline citizens may bring these items directly to the meeting. Please bring 10 copies for distribution to council, staff and the public.

#### Agenda November 8, 2016

#### \*\*At this time, please take a moment to turn off your cell phones\*\*

#### 4:30 P.M. CLOSED SESSION

#### **CALL TO ORDER**

#### **ROLL CALL**

Councilmembers Gomez, Smith, Warren, Mayor Pro Tem McGuire, Mayor Wood

#### **ADOPT AGENDA**

#### **PUBLIC COMMENTS**

Members of the public are welcome to address the City Council only on those items on the Closed Session agenda. Each member of the public will be given three minutes to speak.

#### **CLOSED SESSION / CITY COUNCIL**

- CS 1. Pursuant to Cal. Gov't Code §54957; Public Employee: City Manager Evaluation
- CS 2. Pursuant to Cal. Gov't Code §54956.9(d)2: Potential Litigation (1) Case
- CS 3. Pursuant to Cal. Gov't Code §54956.9(d)4: Potential Litigation (1) Case

#### REPORT OUT OF CLOSED SESSION

## SPECIAL JOINT MEETING 6:00 p.m.

#### **ROLL CALL**

Councilmembers Gomez, Smith, Warren, Mayor Pro Tem McGuire, Mayor Wood

#### PLEDGE OF ALLEGIANCE / INVOCATION

#### CITY CLERK REPORTS / LATE COMMUNICATIONS

#### **PRESENTATIONS**

#### STAFF ANNOUNCEMENTS / REPORTS

Police Lt. Huizar – Department Update
Fire Chief Armstrong – Department Update
Public Works Director Platt – Department Update
Finance Director O'Laughlin – Department Update
Park Supervisor Daverin – Department Update
Airport Manager King – Department Update
City Manager Weil – City Updates
AB 1234 – Council Updates

#### CIVIC / COMMUNITY / ORGANIZATIONS ANNOUNCEMENTS

#### Agenda November 8, 2016

<u>PUBLIC BUSINESS FROM THE FLOOR</u> This portion of the meeting is reserved for persons desiring to address the City Council on any matter not on this agenda, and over which the City Council has jurisdiction. Please state your name for the record and limit your comments to three minutes.

#### **CONSENT CALENDAR / CITY COUNCIL**

- CC 1. CITY CHECK REGISTERS dated through 11/3/16
- CC 2. MINUTES: Meetings dated 04/26/16 and 05/10/16
  Waive reading of subject minutes, approve as written, and order filed.

#### CC 3. READING OF ORDINANCES

Waive reading in full of all ordinances under consideration, and direct the City Clerk to read by title only.

Adopt Ordinance No. 16-743 "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AMENDING TITLE 5, CHAPTER 6, ENTITLED "MEDICAL MARIJUANA BUSINESSES AND ACTIVITY"

- **CC 4.** Fire Department: Uniform Allowance- Revised procedure and "side-letter" agreement
- CC 5. Police Department: Reward offered for Robert Austin Tharp

#### **NEW BUSINESS / SUCCESSOR AGENCY**

NB 1. (A) Sale of Commercial Property

#### Recommend

Directors discuss and approve the Purchase and Sell Agreement as presented, authorize the Executive Director to sign all contractual documents and to open escrow with First American Title

(B) Adopt "A RESOLUTION OF THE CITY OF CALIFORNIA CITY SUCCESSOR AGENCY TO FINALIZE AND RECORD AN OFFICIAL MAP IN CALIFORNIA CITY, PORTION OF NORTH HALF OF SECTION 25, TOWNSHIP 32 SOUTH, RANGE 37 EAST, M.D.B.& M. TO REFLECT THE SUBDIVISION OF PARCEL 1 OF PARCEL MAP 5634"

#### Recommend

Directors discuss, adopt resolution and record an Official Map

#### **CONTINUED BUSINESS / COUNCIL**

CB 1. Finance Department: Three-Year Professional Services Agreement (PSA) for Independent Audit Services — Finance Director O'Laughlin

#### Recommend

Council discuss and award a three-year PSA with Price, Paige & Company, Accountancy Corporation for Independent Audit Services in the Amount of \$146,055

#### Agenda November 8, 2016

CB 2. Police Department: Additional Funding for Radio Upgrade for Communications
Center – Dispatch Supervisor Michelle Jones

#### Recommend

Council discuss and approve funding for SC Communications in the amount of \$10,954.39

#### **COUNCIL AGENDA**

This portion of the meeting is reserved for council members to present information, announcements, and items that have come to their attention. The Brown Act precludes Council, staff or public discussion. Short staff responses are appropriate. The Council will take no formal action. A Council member may request the City Clerk to calendar an item for consideration at a future meeting, or refer an item to staff.

Councilmember Gomez Councilmember Smith Councilmember Warren Mayor Pro Tem McGuire Mayor Wood

<u>ADJOURNMENT</u>

**AFFIDAVIT OF POSTING**: This agenda was posted on all official City bulletin boards, the City's website and agenda packets were completely accessible to the public at City Hall at least 72 hours prior to the Council Meeting.

Denise Hilliker, City Clerk

California Cit	y
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#### Check Register - Finance Director, Jeanie O'Laughlin Check Issue Dates: 10/21/2016 - 6/30/2017

Page: 1 Oct 21, 2016 08:46AM

Report Criteria:

Report type: Invoice detail Bank.Bank Number = 1 Check.Voided = no

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
10/16	10/21/2016	98634	Quelopana, Jorge & Millan, Do	Refund 10641 Aspen	104714.11-1	920.42	920.42
Tot	al 98634:						920.42
Gra	nd Totals:						920.42

1 HEREBY CERTIFY AS TO THE ACCURACY OF THE DEMANDS AND AVAILABILITY OF FUNDS:

Dated: 10-215-16 9
Finance Director Janie M O Law (

#### Check Register - Voided Checks Check Issue Dates: 10/26/2016 - 6/30/2017

Page: 1 Oct 26, 2016 12:15PM

Report Criteria:

Report type: Invoice detail Check.Voided = True

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Invoice Number	Invoice GL Account	Check Amount	
10/16	10/26/16	98636	6263	Find Import Corporation	16-4226 ID	16-4229-450	.00	v
Gra	and Totals:					=	.00	

#### Summary by General Ledger Account Number

GL Acco	ount	Debit	Credit	Proof
	16-02005	9,336.58	9,336.58-	.00
	16-4229-450	9,336.58	9,336.58-	.00
Grand Totals:		18,673.16	18,673.16-	.00

California City

#### Check Register - Finance Director, Jeanie O'Laughlin Check Issue Dates: 10/26/2016 - 6/30/2017

Page: 1 Oct 26, 2016 12:22PM

Report Criteria:

Report type: Invoice detail Bank.Bank Number = 1 Check.Voided = no

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
10/16	10/26/2016	98635	Armstrong, Jeffrey	Chief's Conference Sacrame	102616	398.00	398.00
Tot	al 98635:						398.00
10/16	10/26/2016	98637	Find Import Corporation	Carabiners	16-4226-ID	4,668.29	4,668.29
Tot	al 98637:					-	4,668.29
Gra	nd Totals:					=	5,066.29

I HEREBY CERTIFY AS TO THE ACCURACY OF THE DEMANDS AND AVAILABILITY OF FUNDS:

Dated: 10-36-16
Finance Director Janiu Charle

California	City
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#### Check Register - Finance Director, Jeanie O'Laughlin Check Issue Dates: 10/27/2016 - 6/30/2017

Page: 1 Oct 27, 2016 01:20PM

Report Criteria:

Report type: Invoice detail Bank.Bank Number = 1 Check.Voided = no

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
10/16	10/27/2016	98638	Complete Gym Solutions, LLC	Gym Equipment for PD	7694	11,106.31	11,106.31
Tot	tal 98638:						11,106.31
Gra	and Totals:					:	11,106.31

I HEREBY CERTIFY AS TO THE ACCURACY OF THE DEMANDS AND AVAILABILITY OF FUNDS:

Dated:

Finance Director

California City

#### Check Register - Finance Director, Jeanie O'Laughlin Check Issue Dates: 10/31/2016 - 6/30/2017

Page: 1 Oct 31, 2016 10:21AM

Report Criteria:

Report type: Invoice detail Bank.Bank Number = 1 Check.Voided = no

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
10/16	10/31/2016	98639	Acosta, Cesar	Deposit Refund Strata Ctr	RECEIPT 57120	200.00	200.00
Tot	al 98639:					_	200.00
10/16	10/31/2016	98640	Frontier	Telephone Service from Ve	081503-5 101916	2,465.04	2,465.04
Tot	al 98640:					_	2,465.04
10/16	10/31/2016	98641	So California Edison Co	Borax Bill Park 3-036-287	2-33-161-4651 102	584.02	584.02
Tot	al 98641:						584.02
10/16	10/31/2016	98642	So California Gas Co	Gas Summary Account # 17	1691-1 101716	238.77	238.77
Tot	al 98642:		•			_	238.77
Gra	nd Totals:						3,487.83

I HEREBY CERTIFY AS TO THE ACCURACY OF THE DEMANDS AND AVAILABILITY OF FUNDS:

Dated: 10-31-16

Finance Director Jania O'Aud

Report Criteria:

Report type: Invoice detail Bank.Bank Number = 1 Check.Voided = no

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
11/16	11/03/2016	98643	City of Wasco	KCAC Dinner Jeff Armstron	7580	25.00	25.00
11/16	11/03/2016	98643	City of Wasco	KCAC Dinner Carlos Gomez	7581	25.00	25.00
11/16	11/03/2016	98643	City of Wasco	KCAC Dinner Tom Weil	7584	25.00	25.00
11/16	11/03/2016	98643	City of Wasco	KCAC Dinner Jennifer Woo	7585	25.00	25.00
To	tal 98643:						100.00
11/16.	11/03/2016	98644	So California Edison Co	Borax Bill Park 3-036-287	3-036-2872-66 10-1	169.53	169.53
To	tal 98644:					-	169.53
11/16	11/03/2016	98645	U S Bank Corporate Payment	XXX-0694 Jeff Armstrong	XXX-0694 092616	7,231.20	7,231.20
11/16	11/03/2016	98645	U S Bank Corporate Payment	XXX-6582 Brenda Daverin	XXX-6582 092616	1,810.91	1,810.91
11/16	11/03/2016	98645	U S Bank Corporate Payment	1CALCITY Police	XXX-7239 092616	1,212.83	1,212.83
11/16	11/03/2016	98645	U S Bank Corporate Payment	2CalCity Police	XXX-7254 092616	5,225.98	5,225.98
11/16	11/03/2016	98645	U S Bank Corporate Payment	XXX-7288 Fire	XXX-7288 092616	178.55	178.55
11/16	11/03/2016	98645	U S Bank Corporate Payment	XXX-7304 Public Works	XXX-7304 092616	588.83	588.83
11/16	11/03/2016	98645	U S Bank Corporate Payment	XXX-7312 Public Works	XXX-7312 092616	1,918.52	1,918.52
11/16	11/03/2016	98645	U S Bank Corporate Payment	XXX7639 Fire	XXX-7639 092616	460.46	460.46
То	tal 98645:						18,627.28
Gra	and Totals:						18,896.81

I HEREBY CERTIFY AS TO THE ACCURACY OF THE DEMANDS AND AVAILABILITY OF FUNDS:

Dated:

Finance Director

California City

#### Check Register - Finance Director, Jeanie O'Laughlin Check Issue Dates: 11/3/2016 - 6/30/2017

Page: 1 Nov 03, 2016 03:17PM

Report Criteria:

Report type: Invoice detail Check.Check Number = {>} 98645

Bank.Bank Number = 1 Check.Voided = no

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
11/16	11/03/2016	98646	Acuria, Desiree M	Bldg Rental Deposit Refund	57883 RECEIPT	60.00	60.00
То	tal 98646:						60.00
11/16	11/03/2016	98647	All Weather Inc	AWOS Maintenance	62436-1	8,942.40	8,942.40
To	tal 98647:						8,942.40
11/16	11/03/2016	98648	Amber Chemical, Inc.	Hypochlorite Solution	0338989	301.54	301.54
Tot	tal 98648:						301.54
11/16 11/16	11/03/2016 11/03/2016		AmeriPride AmeriPride	Uniform Maintenance Uniform Maintenance	2100557176 2100558557	116.66 116.66	116.66 116.66
Tot	tal 98649:					_	233.32
11/16	11/03/2016	98650	Andrew Parker	Switch Gear New Pool Hous	201639	4,800.00	4,800.00
Tot	tal 98650:					_	4,800.00
11/16	11/03/2016	98651	Antelope Valley Hospital	SART Exam	CS # 161682	730.00	730.00
Tot	al 98651:		•			_	730.00
11/16	11/03/2016	98652	Armstrong Forensic Laborator	Arson Lab Report	B6FR3484-1	737.51	737.51
Tot	al 98652:					_	737.51
11/16	11/03/2016	98653	Auditor-Controller-County Cle	LAFCO Operating Costs	10-24-2016	3,785.00	3,785.00
Tot	al 98653:						3,785.00
11/16	11/03/2016	98654	Barragan, Jose	Supplies Reimbursment	103116	252.95	252.95
Tot	al 98654:					_	252.95
11/16	11/03/2016	98655	Best Western-Calif City	70% Transient Occpcy Tax	SEPTEMBER 2016	13,452.01	13,452.01
Tot	al 98655:						13,452.01
11/16	11/03/2016	98656	Boston, John	Per Diem Owed from an Inv	102416	9.00	9.00
Tot	al 98656:					_	9.00
11/16 11/16 11/16 11/16 11/16	11/03/2016 11/03/2016 11/03/2016 11/03/2016 11/03/2016	98657	Bound Tree Medical Bound Tree Medical Bound Tree Medical Bound Tree Medical Bound Tree Medical	Medical Supplies Medical Supplies Medical Supplies Medical Supplies Medical Supplies	82277369 82278659 82279731 82281125 82281126	232.19 265.81 640.96 30.23 862.44	232.19 265.81 640.96 30.23 862.44
11/16 11/16	11/03/2016 11/03/2016		Bound Tree Medical Bound Tree Medical	Medical Supplies Medical Supplies	82290046 82296858	90.93 859.99	90.93 859.99
11/16	11/03/2016		Bound Tree Medical	Medical Supplies	82304962	1,130.06	1,130.06

California City	Check Register - Finance Director, Jeanie O'Laughlin	Page: 2
	Check Issue Dates: 11/3/2016 - 6/30/2017	Nov 03,2016 03:17PM

GL Period	Check Issue Date	Check Number	Payee	Description	lnvoice Number	Invoice Amount	Check Amount
			***************************************		***************************************	-	
11/16 11/16	11/03/2016 11/03/2016	98657 98657	Bound Tree Medical Bound Tree Medical	Medical Supplies Medical Supplies	82306029 82311807	77.15 173.87	77.15 173.87
Tot	al 98657:					-	4,363.63
11/16	11/03/2016	98658	Brown, Washington & Lynda	Refund 9049 Grapewood	101454.01	17.96	17.96
Tot	al 98658:					-	17.96
11/16	11/03/2016	98659	BSN Sports, LLC	Trash Receptacles	97884727	550.05	550.05
11/16	11/03/2016	98659	• •	WheelChair Accessible Tabl	98005809	897.36	. 897.36
11/16	11/03/2016	98659	BSN Sports, LLC	Trash Receptacles	98123461	550.05	550.05
Tot	al 98659:		·			-	1,997.46
11/16	11/03/2016	98660	Burkhart, Michaele	Tiny Tots Class	101316	171.50	171.50
Tot	al 98660:					-	171.50
11/16	11/03/2016	98661	Cal City Auto Supply	Police, OHV, Grd Ops Auto	102516	2,572.25	2,572.25
11/16	11/03/2016		Cal City Auto Supply	Auto Parts Public Works	1025-2016 PW	3,642.62	3,642.62
Tot	al 98661:					-	6,214.87
11/16	11/03/2016	98662	California Police Chiefs Assoc	Training R. Welling Assit to	6739	525.00	525.00
Tot	al 98662:					-	525.00
11/16	11/03/2016	98663	Callahan, Ryan Michael	Mobile Car Wash	76	180.00	180.00
11/16	11/03/2016	98663	Callahan, Ryan Michael	Mobile Car Wash	77	195.00	195.00
Tot	al 98663:					-	375.00
11/16	11/03/2016	98664	Cazares, Geraldina	Refund 100 Campfire	100049.08	33.71	33.71
Tot	al 98664:						33.71
11/16	11/03/2016	98665	Center for Education &	School Resource Officer Gui	07047485	253.95	253.95
Tot	tal 98665:						253.95
11/16	11/03/2016	98666	Charter Communications	Police Internet Cable Servic	0108863 102116	420.76	420.76
11/16	11/03/2016	98666	Charter Communications	Police Internet Cable Servic	0139587 102116	189.98	189.98
11/16	11/03/2016	98666		Charter Internet Fire Statio	0148273 100916 104953 102116	141.95 4.99-	141.95 4.99
11/16 11/16	11/03/2016 11/03/2016	98666 98666		Charter Internet/Cable Police Internet Cable Servic		215.00	215.00
Tot	tal 98666:					•	962.70
11/16	11/03/2016	98667	Chief	Park Aid Shirts	247873	51.98	51.98
11/16	11/03/2016		Chief	Badge Holder	289070	9.99	9.99
Tot	tal 98667:						61.97
11/16	11/03/2016	98668	City Hardware	OHV, ACO, Ground Ops, PD	093016	2,003.71	2,003.71
11/16	11/03/2016		City Hardware	Strata Supplies	PARK & REC 093016	694.83	694.83
_	tal 98668:						2,698.54

California City	Check Register - Finance Director, Jeanie O'Laughlin	Page: 3
	Check Issue Dates: 11/3/2016 - 6/30/2017	Nov 03, 2016 03:17PM

			Check Issu	e Dates: 11/3/2016 - 6/30/20	17	Nov O	3,2016 03:17PM
GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
11/16	11/03/2016	98669	Clark, William	Citation 52380 Dismissed R	CIT # 52380	100.00	100.00
То	tal 98669:					_	100.00
11/16	11/03/2016	98670	Classic Lock & Keys	Repair Cylinders	10-29-16	140.00	140.00
То	tal 98670:					_	140.00
11/16	11/03/2016	98671	Clearview Realty /Josh Meiste	Refund 9306 Irene Ave	105187.05	10.65	10.65
То	tal 98671:					_	10.65
11/16	11/03/2016	98672	Coast to Coast Computer Supp	Printer Supplies	A1555866	254.78	254.78
To	tal 98672:					_	254.78
11/16	11/03/2016	98673	Coastline Equipment	Filter for Loader	333206	86.16	86.16
Tot	tal 98673:						86.16
11/16	11/03/2016	98674	Daverin, Brenda	Ren Fair Supplies Reimburs	102116	156.44	156.44
Tot	tal 98674:						156.44
11/16	11/03/2016	98675	De Lage Landen	Copier Lease	52012358	190.40	190.40
Tot	tal 98675:		·			_	190.40
11/16	11/03/2016	98676	Dennis Automotive	Auto Service	17792	40.00	40.00
11/16	11/03/2016	98676	Dennis Automotive	Auto Service	17797	96.00	96.00
11/16	11/03/2016	98676	Dennis Automotive	Repair Unit 326	17807	400.00	400.00
11/16	11/03/2016		Dennis Automotive	Auto Service	17808	64.00	64.00
11/16	11/03/2016	98676	Dennis Automotive	Auto Service	17810	24.00	24.00
11/16	11/03/2016	98676	Dennis Automotive	Auto Service	22071	<b>51.7</b> 5	51.75
11/16	11/03/2016	98676	Dennis Automotive	Auto Service	22083	51.75	51.75
11/16	11/03/2016	98676	Dennis Automotive	Auto Service	22085	51.75	51.75
11/16	11/03/2016	98676	Dennis Automotive	Auto Service	22092	<b>51.7</b> 5	51.75
-	11/03/2016		Dennis Automotive	Auto Service	22096	51.75	51.75
Tot	al 98676:					_	882.75
11/16	11/03/2016	98677	DuroBeam Corp.	Pool House Building	9856	1,275.00	1,275.00
Tot	al 98677:						1,275.00
11/16	11/03/2016	98678	Echauri, Rafael G	Bldg Deposit Refund	57872	200.00	200.00
Tot	al 98678:					_	200.00
11/16	11/03/2016	98679	Entenmann-Rovin Company	Badges-CE, Seasonal	0121816	258.54	258.54
Tota	al 98679:				,	<del>.</del>	258.54
11/16	11/03/2016	98680	Expert Automotive	Unit 3008 Service	41903	43.52	43.52
Tota	al 98680:					_	43.52
11/16 11/16	11/03/2016 11/03/2016	98681 98681		Priority Mailings Priority Mailings	5-518-55766 5-585-66860	54.49 104.37	54.49 104.37

· California City	Check Register - Finance Director, Jeanie O'Laughlin	Page: 4
	Check Issue Dates: 11/3/2016 - 6/30/2017	Nov 03, 2016 03:17PM

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
11/16	11/03/2016	98681	Fed Ex	Priority Mailings	5-586-02039	109.56	109.56
To	tal 98681:					_	268.42
11/16	11/03/2016	98682	Ferguson Waterworks	Transmission Line Supplies	WD002113	8,998.34	8,998.34
11/16	11/03/2016	98682	Ferguson Waterworks	Transmission Line Supplies	WD002115	1,680.99	1,680.99
11/16	11/03/2016	98682	Ferguson Waterworks	Transmission Line Supplies	WV002092-1	4,642.66 -	4,642.66
То	tal 98682:					_	15,321.99
11/16	11/03/2016	98683	Fluid Manufacturing	Token Shower System Boro	45037	1,164.46	1,164.46
Tot	tal 98683:						1,164.46
11/16	11/03/2016	98684	Fruge, Jasiah & Blickenstaff, K	Refund 7271 Jimson	106365.08	13.52	13.52
Tot	tal 98684:					_	13.52
11/16	11/03/2016	98685	GCA	Printer for Permits	100404	2,193.93	2,193.93
Tot	tal 98685:					-	2,193.93
11/16	11/03/2016	98686	Government Finance Officers	GAAFR Review Newsletter	0126449S 072816	50.00	50.00
Tot	tal 98686:					-	50.00
11/16	11/03/2016	98687	Great America Financial	Postage Machine Lease, Co	19586788	- 1,053.29	1,053.29
Tot	tal 98687:					-	1,053.29
11/16	11/03/2016	98688	Helt Engineering, Inc	13405 Baron to Wonder	16-408	840.00	840.00
11/16	11/03/2016	98688	Helt Engineering, Inc	15409 City Standards	16-409	297.50	297.50
11/16	11/03/2016	98688	Helt Engineering, Inc	15412 Eastside Taxiways R	16-410, 16-419	625.00	625.00
11/16	11/03/2016	98688	Helt Engineering, Inc	New Fire Station Engineeri	16-411	695.00	695.00
11/16	11/03/2016	98688	Helt Engineering, Inc	15415 LAMP Septic System	16-412	2,190.00	2,190.00
11/16	11/03/2016	98688	Helt Engineering, Inc	16400 Lot Line Transfer Tr	16-413	2,205.52	2,205.52
11/16	11/03/2016	98688	Helt Engineering, Inc	16400 Gen Eng Water Main	16-414	575.00	575.00
11/16	11/03/2016	98688	Helt Engineering, Inc	16405 Mendiburu Road Re	16-415	647.78	647.78
11/16	11/03/2016	98688	U U	16408 TDA Article 3	16-416	3,725.00	3,725.00
11/16	11/03/2016	98688	Helt Engineering, Inc	16410 Water Availability St	16-417	8,757.50	8,757.50
11/16	11/03/2016	98688	Helt Engineering, Inc	16412 Lot Subdiv. Propose	16-418	7,050.39 -	7,050.39
То	tal 98688:					-	27,608.69
11/16	11/03/2016	98689	Hilliker, Denise	Per Diem City Clerk Confer	102616	719.00	719.00
То	tal 98689:						719.00
11/16	11/03/2016	98690	Interon LLC	Computer Service	2691	918.25	918.25
То	tal 98690:		•				918.25
11/16	11/03/2016	98691	Jim Burke Ford	Red Ford 150	508756	250.29	250.29
То	tal 98691:						250.29
11/16	11/03/2016		Kieffe & Sons Ford	Unit 326 Parts	23314	170.34	170.34
11/16	11/03/2016	00402	Kieffe & Sons Ford	Unit 326 Parts	23318	15.87	15.87

Califor	nia City			r - Finance Director, Jeanie O'L ue Dates: 11/3/2016 - 6/30/20		Nov 0	Page: 5 3,2016 03:17PM
GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
Т	otal 98692:					-	186.21
11/16 11/16	11/03/2016 11/03/2016	98693 98693		Vehicle Maint. E490 Service Vehicle Maint. E490	CA537533 CA538613	668.00 515.00	668.00 515.00
Т	otal 98693:					-	1,183.00
11/16	11/03/2016	98694	Kuhn, David & Bianca	Refund 9313 Karen	104006.09	12.37	12.37
То	tal 98694:					_	12.37
11/16	11/03/2016	98695	Leslies Pool Supplies	Pool Chemicals and Supplie	129-393272	286.20	286.20
То	tal 98695:					_	286.20
11/16	11/03/2016	98696	Medallion Contracting, Inc.	Fire Station Progress Paym	INVOICE # 6	227,320.93	227,320.93
То	tal 98696:					_	227,320.93
11/16 11/16 11/16 11/16	11/03/2016 11/03/2016 11/03/2016 11/03/2016	98697 98697		Yellow Tags CE Bus Cards- C. Gomez Linen with Envelopes City Bus Cards, Name Plates, DA	6-280761 6-280774 6-280775 680813, 680813	288.10 125.07 530.49 349.15	288.10 125.07 530.49 349.15
То	tal 98697:					_	1,292.81
11/16	11/03/2016	98698	Middleton, Keith	Mileage Reimb to Bank of t	110116	24.19	24.19
То	tal·98698:		•			-	24.19
11/16	11/03/2016	98699	Mission Uniform Service	Laundry Service	141173 093016	235.82	235.82
То	tal 98699:						235.82
11/16	11/03/2016	98700	Modular Space Corp.	Pool House	501716231	245.42	245.42
To	al 98700:					_	245.42
11/16	11/03/2016	98701	Morrill Industries, Inc	Gaskets	00111514	57.21	57.21
Tot	al 98701:						57.21
11/16	11/03/2016	98702	Norm Hill Aviation	Internet Service ACO	2153	250.00	250.00
Tot	al 98702:						250.00
11/16 11/16 11/16 11/16 11/16 11/16 11/16 11/16	11/03/2016 11/03/2016 11/03/2016 11/03/2016 11/03/2016 11/03/2016 11/03/2016	98703 98703 98703 98703 98703 98703	Office Depot	Office Supplies	872016099001 872090996001 872901961001 873023509001 873668377001 873668434001 873672529001	97.85 76.17 90.28 131.84 60.31 3.86 57.36	97.85 76.17 90.28 131.84 60.31 3.86 57.36 9.65
	al 98703:					-	527.32
11/16	11/03/2016	98704	PDA Enterprise	Ren Fair Booth Refund	55747	50.00	50.00

Californi	ia City		<del>-</del>	- Finance Director, Jeanie O'La e Dates: 11/3/2016 - 6/30/201	-	Nov O	Page: 6 3,2016 03:17PM
GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
Tot	tal 98704:						50.00
11/16	11/03/2016	98705	PDR	PDR Book 2017	733538543	64.45	64.45
11/16	11/03/2016	98705	PDR	2017 PDR Book	73380292	64.45	64.45
Tot	tal 98705:						128.90
11/16	11/03/2016	98706	Perry, Diane	Cleaning supplies Animal C	101916	221.05	221.05
Tot	tal 98706:			. •		-	221.05
11/16	11/03/2016	98707	R S I Petroleum Prod	Fuel	1067542	2,441.66	2,441.66
•					1067543	•	•
11/16	11/03/2016	98707	R S I Petroleum Prod	Fuel	1067554	242.77	242.77
11/16	11/03/2016		R S I Petroleum Prod	Fuel	1067581	284.72	284.72
11/16	11/03/2016	98707	R S I Petroleum Prod	Fuel	1067603	482.14	482.14
11/16	11/03/2016	98707	R S I Petroleum Prod	Fuel	1067614	29.83	29.83
Tot	tal 98707:				•	_	3,481.12
11/16	11/03/2016	98708	Reliable Air Condit. & Heating	Air Conditioning Work Serv	17172	70.00	70.00
Tot	tal 98708:					_	70.00
11/16	11/03/2016	98709	S.C. Friends Tire Inc.	Tire Service	30537	10.00	10.00
11/16	11/03/2016	98709	S.C. Friends Tire Inc.	Tires	30550	183.97	183.97
11/16	11/03/2016	98709	S.C. Friends Tire Inc.	Tire Disposal	30626	36.00	36.00
11/16	11/03/2016	98709	S.C. Friends Tire Inc.	Alignment	30627	120.00	120.00
Tot	tal 98709:						349.97
11/16	11/03/2016	98710	Safety-Kleen Corp	Gallon Drums	71745081	161.10	161.10
Tot	tal 98710:			•		_	161.10
11/16	11 /02 /2016	00711	Cara Staffaa	Town Mary Johnson	CC710	1,380.48	1,380.48
11/16	11/03/2016		Sage Staffing	Temp Mary Johnson	55718		
11/16	11/03/2016	98711	Sage Staffing	Temp Mary Johnson	55784	1,725.60 	1,725.60
Tot	tal 98711:					_	3,106.08
11/16	11/03/2016	98712	Sanders, Karen	Supplies Reimbursement	102716	119.61	119.61
Tot	tal 98712:						119.61
11/16	11/03/2016	98713	Shannon, Diane	Refund 21101 Windsong	104170.08	47.27	47.27
To	tal 98713:					•	47.27
11/16	11/03/2016	98714	Sprague, Jan	Per Deim City Clerks Confer	102616	679.00	679.00
To	tal 98714:		•			-	679.00
11/16	11/03/2016	98715	Staples Advantage	Office Supplies, Janitorial	8041361085	354.74	354.74
11/16	11/03/2016	98715	· -	Office Supplies, Janitorial	8041452856	1,334.68	1,334.68
11/16	11/03/2016		Staples Advantage	Office Supplies, Janitorial	8041549525	780.05	780.05
·	,	,0,20	orapido maramago	cappings, james in			
То	tal 98715:						2,469.47
11/16	11/03/2016	98716	SWRCB	Large Water System Fees	LW-1007399	5,211.90	5,211.90

California City	Check Register - Finance Director, Jeanie O'Laughlin	Pag
	Charle Ionna Datas: 11/2/2016 6/20/2017	Nov.03 2016 03:

Californ	ia City		_	- Finance Director, Jeanie O'La e Dates: 11/3/2016 - 6/30/20	_	Nov 03	Page: 3,2016 03:17P
GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
То	tal 98716:					-	5,211.90
11/16	11/03/2016	98717	The Loop	Ren Fair Ad	17962	528.00	528.00
To	tal 98717:						528.00
11/16 11/16	11/03/2016 11/03/2016		Tyack's Tires, Inc Tyack's Tires, Inc	Tires Tires	169088 169089	986.05 986.05	986.05 986.05
To	tal 98718:						1,972.10
11/16	11/03/2016	98719	UPS	Shipping Service Charges	V436	88.00	88.00
Tot	tal 98719:					_	88.00
11/16 11/16	11/03/2016 11/03/2016	98720 98720	Uni-Com Supply Inc Uni-Com Supply Inc	12v Cables New Fire Statio Fire Station New Cables	189997 190146	44.94 1,346.73	44.94 1,346.73
Tot	tal 98720:						1,391.67
11/16 11/16	11/03/2016 11/03/2016		USA Bluebook USA Bluebook	Breaker, Electrodes Pipe Stands	081346 75856	343.28 404.80	343.28 404.80
Tot	al 98721:						748.08
11/16	11/03/2016	98722	Verizon Wireless	Cell Phone Service	9773808813	38.01	38.01
Tot	al 98722:					_	38.01
11/16	11/03/2016 11/03/2016 11/03/2016 11/03/2016 11/03/2016 11/03/2016	98723	Walters Wholesale Electric Co. Walters Wholesale Electric Co.	Fire Station Materials Fire Station Materials Fire Station Materials Fire Station Materials	\$106173927.002 \$106249240.009 \$106249240.011 \$106365835.003 \$106461479.001 \$106461479.002	25.86 1,023.96 152.52 29.14 528.81 486.45	25.86 1,023.96 152.52 29.14 528.81 486.45
11/16	11/03/2016	98724	Walters, Jack	CE Solutions Training Reim	102716	100.00	100.00
Tot	al 98724:			•		,	100.00
11/16	11/03/2016	98725	Western Alliance Band-LN PM	P & I on WWTP Debt Servic	4500148633 11011	81,717.76	81,717.76
Tot	al 98725:						81,717.76
11/16	11/03/2016	98726	Wood, Jennifer	Notary Services	10-25-16	40.00	40.00
Tot	al 98726:						40.00
11/16	11/03/2016	98727	Young, Sandra K	Ren Fair Vendor Refund	101816	71.00	71.00
Tot	al 98727:					_	71.00
11/16	11/03/2016	98728	Zters	Port-A-Potty Service	195765	211.87	211.87
•	al 98728:					_	211.87

.Californ	GL Check Check eriod Issue Date Number  Grand Totals:  I HEREBY CERTIFY AS TO THE Dated: 11-3-		California City Check Register - Finance Director, Jeanie O'Laughlin Check Issue Dates: 11/3/2016 - 6/30/2017		Page: Nov 03, 2016 03:17PN		
GL Period		Check Number	Payee	Description	Invoice Number	Invoice - Amount	Check Amount
Gra	and Totals:						441,010.28
	,	Y AS TO THE ACC	CURACY OF THE DEMANDS	S AND AVAILABILITY OF FUNDS:	:		
•	ance Director	Janie	Ofaul				
Report (	Criteria: ort type: Invoi	ce detail					

Check.Check Number = {>} 98645

Bank.Bank Number = 1 Check.Voided = no

water and Sev	ver City Accounts - Nov	vember 2016	
Route #	Customer ID	Customer/Meter ID	Bal Due
0	106793.01	City Of Calif City/Borax Bill Pk Bathrms	275.7
	Wtr	18819303	
0	106796.01	City Of Calif City/TDS (A)(P&R)	8,507.3
	Wtr	11010967	
0	106797.01	City Of Calif City/TDS (B)(P&R)	21,602.0
	<b>W</b> tr	9311920	
0	106798.01	City Of Calif City/TDS C (P&R)	42,227.9
	Wtr	9313796	
0	106799.01	City Of Calif City/TDS (D)(P&R)	6,379.0
	Wtr	16490176	
0	106800.01	City Of Calif City/TDS Pro Shop (E)(P&R)	1,098.5
	Wtr	9113145	2,000.0
0	106801.01	City Of Calif City/TDS Golf Course (F)	20,302.8
	Wtr	9311918	20,302.0
0	106802.01	City Of Calif City/TDS Maint. (L)(P&R)	365.1
	Wtr	93702561	303.1
0	106804.01	City Of Calif City/Par -3 Golf Cou(P&R)	2,172.8
	Wtr	97296489	2,172.00
0	106805.01	City Of Calif City/Par-3 Irrig.(P&R)	2,572.29
	Wtr	8184720	
0	106806.01	City Of Calif City/Par-3 (I)(P&R)	17,791.19
	Wtr	9311915	
0	106807.01	City Of Calif City/Par-3 (J)(P&R)	172.80
	Wtr	8040019	
0	106808.01	City Of Calif City/Par-3(P&R)	4,828.60
	Wtr	9313795	,,020.0
0	106809.01	City Of Calif City/City Hall-Lawn (A)	551.46
	Wtr	6089270	331.40
. 0	106810.01	City Of Calif City/Lawn (B)	1,978.6
. 0	Wtr	5601775	1,376.0
	400014 04	City Of Calif City (City Hall (C)	E01 74
0	106811.01 Wtr	City Of Calif City/City Hall (C) 12205469	581.71
			440.7
0	106812.01 Wtr	City OF Calif City/Police Station 9304962	1,142.58

Route #	Customer ID	Customer/Meter ID	Bal Due
0	106813.01	City OF Calif City/Fire Station	275.73
	Wtr	15812844	
	100011.01	City Of Calif City / Airm and Tarminal / A	262.66
0	106814.01	City Of Calif City/Airport Terminal (A	262.66
	Wtr	9082147	
0	106815.01	City Of Calif City/Airport (B)	86.40
	Wtr	9113129	
Ö	106816.01	City Of Calif City/Airport - RV Park	105.65
	Wtr	8969459	105.0.
<del>-</del>	***	8303433	
0	106817.01	City Of Calif City/Airport/Hose Bib (C	51.73
	Wtr	7053219	
0	106818.01	City Of Calif City Old Museum/Par3(P&R)	172.80
	Wtr	7246860	
0	106819.01	City Of Calif City/ Police Dept (AC)	723.86
	Wtr	6091640	
0	106820.01	City Of Calif City/Sewer Plant	6,019.08
	Wtr	91122081	
	100021 01	City OF Calif City/City Vard	275.73
0	106821.01 Wtr	City OF Calif City/City Yard 7213086	2/3./3
	VVCI	7213000	
0	106822.01	Borax Bill Park-Showers-P.D.	275.73
	Wtr	8184721	
0	106823.01	City Of Calif City/Cen Prk Restro(P&R)	578.96
	Wtr	9258800	370.5
0	106824.01	City Of Calif City/Marina-Strata(P&R)	906.09
	Wtr	9112208	
0	106825.01	City Of Calif City/Comm Center(P&R)	551.46
	Wtr	9253880	33271
0	106826.01	City Of Calif City/Cen Pk Lake(P&R)	4,828.60
	Wtr	9070150	
0	106827.01	City Of Calif City/Senior Cent (P&R)	1,663.7
	Wtr	9131647	
		an or o lit on to the outline of the or	470.0
0	106828.01	City Of Calif City/Balsitis Park(P&R)	172.8
	Wtr	5484144	
0	106829.01	City Of Calif City/Balsitis Pk Short(P&R	3,765.7
	Wtr	16490175	
o	106830.01	City OF Calif City/Balsitis Pk Restr(P&R	103.4

.

Route #	Customer ID	Customer/Meter ID	Bal Due
	Wtr	8040020	
0	106831.01	City Of Calif City/Balsitis Park E(P&R)	809.2
	Wtr	7145276	
0	106832.01	City Of Calif City/Aspen Mall	275.7
	Wtr	96304228	2/3./.
0	106838.01	City Of Calif City/Median (A)	51.73
	Wtr	11639888	
0	106839.01	City Of Calif City/Median Center (B)	86.40
	Wtr	359134	
0	<b>1</b> 06841.01	City Of Calif City/Median Proctor	87.60
	Wtr	6200564	
0	106842.01	City OF Calif City/Median Rome Beauty/	58.92
	Wtr	7247418	
0	106843.01	City Of Calif City/Lakeshore/Randsgurg	86.40
	Wtr	8969455	
0	106844.01	City Of Calif City/Median CCB	86.40
	Wtr	7247390	
0 .	106845.01	City Of Calif City/ Median CCB-90th	86.40
	Wtr	8971971	
0	106847.01	City Of Calif City/Irrigation	51.73
	· Wtr	7246836	
0	106848.01	City Of Calif City/Sport (A)(P&R)	172.80
	Wtr	6074816	
0	106849.01	City Of Calif City/Entra Sport (A)(P&R)	172.80
	Wtr	6074815	
0	106861.01	City Of California City/Pocket Park(P&R)	103.46
	Wtr	6305274	
o	106863.01	City of Calif City/OHV-Dump Station	51.73
	Wtr	15666065	
. 0	106872.01	City of Calif City/Lake fill	8,277.36
	Wtr	9070149	
0	106873.01	City of Caif City/Balsitis -Snack-Rest	206.92
	Wtr	15417058	
		Total City Utility Bills	164,036.55

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## SPECIAL MEETING CITY OF CALIFORNIA CITY CITY COUNCIL

### Tuesday, April 26, 2016

## Council Chambers, 21000 Hacienda Blvd. MINUTES

#### CALL TO ORDER

Mayor Wood called the meeting to order at 5:30 pm. Deputy City Clerk Sprague called the roll:

#### ROLL CALL

PRESENT: Gray, Smith, Warren, Mayor Pro Tem McGuire, Mayor Wood

ABSENT: None

#### **ADOPTION OF AGENDA**

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to adopt the agenda. Motion carried.

#### **PUBLIC COMMENTS None**

#### **CLOSED SESSION**

CS 1. Pursuant to Cal Gov't Code §54956.9(d): Potential Litigation (1) Case

#### **CLOSED SESSION ACTION**

Legal Counsel reported that staff was given direction, with no action taken.

#### CITY COUNCIL MEETING

At 6:03 pm, following the Pledge of Allegiance and Invocation the Deputy City Clerk Sprague called the roll:

#### ROLL CALL

PRESENT: Gray, Smith, Warren, Mayor Pro Tem McGuire, Mayor Wood

**ABSENT:** None

#### ADOPTION OF AGENDA

Fire Chief Armstrong requested that CC4 on the Consent Calendar be removed.

Motion by Mayor Pro Tem McGuire, second by Councilmember Gray to remove item CC4 and adopt the agenda. Motion carried.

#### CITY CLERK REPORTS / LATE COMMUNICATIONS

J.M Powers: Erroneous estimates distort City budget at 9 month point; Recreational drone operation in city limits violates restricted area 2515 airspace; Occupied white bus parks overnight for months on Constitution Dr. near AltaOne; Water standby fees are not proportional to cost of service, non-compliant with Prop 218

#### **PRESENTATIONS**

City Treasurer Middleton provided the March Investment Report

CC2.

#### STAFF ANNOUNCEMENTS / REPORTS

Police Chief Hurtado – powerpoint presentation showing city surveillance cameras Fire Chief Armstrong – vehicle being transferred to Public Works
Public Works Director Craig Platt – department stats provided
Finance Director Rudy Hernandez – working with staff on budget
Park & Rec Manager Brenda Daverin – announced upcoming events

#### CIVIC / COMMUNITY / ORGANIZATIONS ANNOUNCEMENTS

DJ Twohig provided the council with information of Bill Lockyer, Attorney General, opinion regarding water standby charges; also information regarding "Current Trends in Water Funding"

#### PUBLIC BUSINESS FROM THE FLOOR

Al Hutson still requesting the city be divided into districts, assigning a council member to each and rising council's stipend to \$1000.; also still requesting forensic audit as well as an audit by the State Controller Office. He insists that the Mayor is negating the Constitution by only giving the public 3 minutes to interact with the Council. Mayor Wood recommended that he do what others are doing, all the councilmembers directly and set up an appointment.

#### CONSENT CALENDAR

- CC 1. Approve City check registers dated through 04/21/16
- CC 2. Receive and file Grand Jury letter regarding unannounced attendance at recent Council meeting
- CC 3. Adopt "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY APPROVING THE APPLICATION FOR OFF-HIGHWAY VEHICLE GRANT FOR THE CALIFORNIA CITY OHV PROGRAM"
- CC 4. Fire Department: Approval of FY 15/16 Budget Adjustments \*\*\*REMOVED\*\*\*
- CC 5. Adopt "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY INITIATING PROCEEDINGS FOR THE ESTABLISHMENT OF THE WATER STANDBY CHARGES FOR THE FISCAL YEAR COMMENCING JULY 1, 2016"
- CC 6. Adopt "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AUTHORIZING SUBMITTAL OF AN APPLICATION FOR PAYMENT PROGRAMS AND RELATED AUTHORIZATIONS"

Motion by Councilmember Gray, second by Mayor Pro Tem McGuire to approve CC1, CC2, pulling CC3, CC5, and CC6 for discussion. Roll call vote as follows:

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: Smith ck# 97104 Warren ck# 97054

ABSENT: None

#### CC 3:

Mayor Pro Tem McGuire pulled this item, inquiring where the numbers being used come from because they changed by a significant amount. Karen Sanders replied that she had made a mistake.

Motion by Councilmember Gray, second by Mayor Wood to adopt "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY APPROVING THE APPLICATION FOR OFF-HIGHWAY VEHICLE GRANT FOR THE CALIFORNIA CITY

#### OHV PROGRAM" Roll call vote as follows:

AYES: Gray, Warren, Wood NAYS: Smith, McGuire

ABSTAIN: None ABSENT: None

**CC 5:** Staff noted that the correct date for the public hearing is June 28<sup>th</sup>. Following a lengthy discussion, including comments from DJ Twohig, it was the consensus of the council to table this item.

**CC 6:** Council received clarification on the resolution from staff.

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to adopt "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA AUTHORIZING SUBMITTAL OF AN APPLICATION FOR PAYMENT PROGRAMS AND RELATED AUTHORIZATIONS" Motion carried 5-0

#### **CONTINUED BUSINESS**

**CB 1.** Central Park Pool Project: Purchase of Prefabricated Metal Building Public Works Director Platt provided the staff report.

Motion by Councilmember Smith, second by Councilmember Warren, to approve the purchase of the building from Duro Beam in the amount of \$26,950.00. Roll call vote as follows:

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None ABSTAIN: None ABSENT: None

#### **PUBLIC HEARING**

PH 1. Unmet Transit Needs.

Mayor Wood read the item and declared the Public Hearing open at 7:35 pm.

Public Works Director Platt provided the staff report.

Staff provided clarification to Councilmember's Warrens questions.

Deputy City Clerk reported that no communications had been received.

Public comment was received from Al Hutson.

Motion by McGuire, second by Warren to close the public hearing. Motion carried.

No further council discussion noted.

Motion by Councilmember Warren, second by Mayor Pro Tem McGuire to adopt "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY DETERMINING THAT CALIFORNIA CITY HAS NO UNMET TRANSIT NEEDS THAT CANNOT REASONABLY BE MET BY THE EXISTING SYSTEM" Roll call vote as follows:

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None ABSTAIN: None

ABSENT: None

#### **COUNCIL AGENDA**

AB 1234 – Councilmember Gray – Attended Bakersfield's 150<sup>th</sup> anniversary dinner where there was the opportunity to meet and greet other city officials to discuss various issues

Mayor Wood – Attended San Joaquin Policy, KernCOG meetings; upcoming meetings include KADC, Southern California Association of Governments and Kern Council of Governments

**Councilmember Gray** - appreciation expressed for the Police, Fire and Public Works Depts.

**Councilmember Smith** - requests to blade the hill road; holes on Palisades **Councilmember Warren** - requests to see a performance request to be agenized, concerns with crosswalks, projector & cameras, waste management needs to provide more dumpsters.

**Mayor Pro Tem McGuire** – concerns with basic paperwork mistakes pertaining to OHV; things need to be reviewed prior to coming to council

#### **ADJOURNMENT**

Respectfully submitted by,

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to adjourn at 7:58 pm. Motion Carried 5-0

Denise Hilliker, City Clerk	k	
APPROVED BY CITY C	OUNCIL ON	

# CITY OF CALIFORNIA CITY CITY COUNCIL & SUCCESSOR AGENCY Tuesday, May 10, 2016 Council Chambers, 21000 Hacienda Blvd.

#### **MINUTES**

#### **CALL TO ORDER**

Mayor Wood called the meeting to order at 5:30 pm. City Clerk Hilliker called the roll:

#### **ROLL CALL**

PRESENT: Gray, Smith, Warren, Mayor Pro Tem McGuire, Mayor Wood

**ABSENT:** None

#### **ADOPTION OF AGENDA**

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to adopt the agenda. Motion carried.

#### **PUBLIC COMMENT None**

#### **CLOSED SESSION / SUCCESSOR AGENCY**

**CS 1.** Pursuant to Cal Gov't Code §54956.8: Confer with Real Property Negotiator Tom Weil, APN #205-330-26

#### REPORT OUT OF CLOSED SESSION

City Attorney Bettenhausen reported that the Successor Agency had discussed the item listed. Staff received direction.

#### CITY COUNCIL MEETING

At 6:01 pm, following the Pledge of Allegiance and Invocation, the City Clerk called the roll:

PRESENT: Gray, Smith, Warren, Mayor Pro Tem McGuire, Mayor Wood

**ABSENT:** None

#### CITY CLERK REPORTS / LATE COMMUNICATIONS

J.M. Powers – July 2016 Sewer rate increase is unjustified because of fraudulent assumptions for 11.7 million expansion to WWTP; Over 17 million in water stand by fees collected-where did the money go?; Water standby fees are subsidizing tiered water rates contrary to purpose described in the city's annual resolution

#### **PRESENTATIONS** None

#### STAFF ANNOUNCEMENTS / REPORTS

Police Chief Hurtado – activities for the past two weeks; 2 arrested in regards to Lollies and Tokyo Tuna robberies; attempted carjacking suspect shot by victim

Fire Chief Armstrong – 5/16 contractor will be on site at fire station; vehicle fire involved stolen car; next abatement will be on Aspen Ave on 5/11 at 7am

Public Works Director Platt – pool house is down; continued trash problems, signage is not going to work

Finance Director Hernandez - thanked everyone, last council meeting

Parks and Rec Supervisor Daverin - in search of lifeguards and park aids; Art Show this

weekend; Tortoise Days is 5/14

City Manager Weil - kiosk is almost complete

#### **CIVIC / COMMUNITY / ORGANIZATIONS ANNOUNCEMENTS**

Norm Hill, EDC - looking for more members

DJ Twohig, mycalcity.org – next meeting will be on the 21<sup>st</sup>, with speaker Fire Chief Armstrong

Kim Welling, Chamber of Commerce – July 2<sup>nd</sup> will be the next city clean up; chamber has 9 new members; June 18<sup>th</sup> 9am to 2pm, Non-profit workshop

Ann Richardson, Desert Rose Garden Club: 5/21 planting on east side of CCB medium; thanked Francesco from PW for all his assistance

#### PUBLIC BUSINESS FROM THE FLOOR

Al Hutson – why is prison being targeted as water wasters? His figures do not jive with PW Director; water standby fees can fund payment to I Bank; concerns with audit; sex Offenders are being dumped here

#### CONSENT CALENDAR

- CC 1. CITY CHECK REGISTERS: dated through 05/05/16
- CC 2. Adopt "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY REQUESTING COLLECTION SERVICES FOR SPECIAL TAX MEASURE A(12) FOR FISCAL YEAR 2016-2017"
- CC 3. Adopt "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY, CALIFORNIA INITIATING PROCEEDINGS FOR THE LEVY AND COLLECTION OF ASSESSMENTS FOR ASPEN MALL LANDSCAPING AND LIGHTING DISTRICT, FISCAL YEAR 2016/2017, PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE"
- CC 4. Adopt "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY, CALIFORNIA FOR PRELIMINARY APPROVAL OF THE ENGINEER'S REPORT REGARDING THE PROPOSED LEVY AND COLLECTION OF ASSESSMENTS FOR THE ASPEN MALL LANDSCAPING AND LIGHTING DISTRICT, FISCAL YEAR 2016/2017"
- CC 5. Adopt "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY, CALIFORNIA DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR THE ASPEN MALL LANDSCAPING AND LIGHTING DISTRICT FOR FISCAL YEAR 2016/2017"
- CC 6. Notice of Completion: American Pavement Systems, Inc; California City Blvd Safety Improvements Project HSIPL 5399-(023)
- CC 7. Grand Jury Report: California City Police Department -Receive and File
- CC 8. Fire and Airport Departments: FY 15/16 Budget Adjustment Requests

Councilmember Smith and Gray both received clarification from staff on several items. Al Hutson received clarification on ck # 97971 and ck# 97172

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren, to approve the consent calendar. Roll call vote as follows:

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: Smith #97124

**ABSENT**: None

#### **NEW BUSINESS**

**NB 1.** California City Optimist Club: Holiday Village Donation Request City Manager Weil provided the staff report.

Mary Ann and Jean LeBlanc provided information on the proposed ice skating rink on behalf of the Optimist Club. Also noted was that out of the total cost of \$25,000, Ed and Linda Waldheim have donated \$15,000.

Ann Richardson – commented that this project should have been presented first to the Parks and Recreation Commission. They would have gotten a lot of answers prior to it coming to council.

Al Hutson – Project should not be funded.

Councilmember Gray stated that though he likes the idea, the "needs" need to be considered before the "wants"

Councilmember Warren stated that the club should try to see if the rink can be rented instead. LeBlanc responded that the lease would cost 75% of the cost to buy.

Mayor Pro Tem McGuire stated that the skate park didn't make it, also thinks that renting it first to see if there is a draw. Perhaps use the donated \$15,000 to pay for rental.

Mayor Wood stated that there is simply no way the revenue from the event could cover the total \$41,000 projected in expenses.

Councilmember Smith stated that he would donate 10% of the \$10,000 being requested.

Motion by Councilmember Smith, second by Councilmember Gray to deny the donation request. Motion carried 5-0.

#### **COUNCIL AGENDA**

AB 1234 – Councilmember Gray League of Cities in Sacramento; Mayor Pro Tem McGuire to attend LAFCO meeting on 5/25; Councilmember Warren to attend Air Pollution Control Board meeting on 5/12

Councilmember Gray - would like to see a 5yr projection Councilmember Warren – would like to see a 5yr projection Mayor Pro Tem McGuire – requests paperwork be taken care of Mayor Wood – CHP to discuss Senior driving at Senior Center

#### ADJOURNMENT

Motion by Mayor Pro Tem McGuire, second by Councilmember Gray to adjourn at 8:20 pm. Motion Carried

Respectfully submitted by,		
Denise Hilliker, City Clerk		

APPROVED	BY CITY	COUNCIL	ON	

#### CITY COUNCIL

November 08, 2016

TO:

**Mayor and City Council** 

FROM:

Tom Weil

SUBJECT: Ordinance Amending Title 5, Chapter 6, Entitled "Medical Marijuana"

**Business and Activity" Live Scans** 

BACKGROUND: The attached amendment to Title 5, Chapter 6 entitled "Medical Marijuana Businesses and Activity" is before you tonight for review and approval with the added recommendations made by the Department of Justice, (DOJ), covering the area of Live Scans. The amendment allows California City PD to access information from not only from the DOJ but the Federal Bureau of Investigations data base for any prior or pending criminal issues with the applicant applying for Medical Marijuana permit from our city.

**RECOMMENDATION:** It is the recommendation of staff to adopt "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AMENDING TITLE 5, CHAPTER 6, ENTITLED "MEDICAL MARIJUANA BUSINESSES AND ACTIVITY"

FISCAL IMPACT: N/A

**ENVIRONMENTAL ACTION: N/A** 

The Finance Director has reviewed the staff report and finds the recommendations to be within the budget constraints of the Department.

#### **ORDINANCE NO. 16-743**

## AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AMENDING TITLE 5, CHAPTER 6, ENTITLED "MEDICAL MARIJUANA BUSINESSES AND ACTIVITY"

WHEREAS, Title 5, Chapter 6, of the California City Municipal Code, entitled "Medical Marijuana Businesses and Activity", enacted by Ordinance No. 16-742, that established a permitting process for persons engaging in any medical marijuana business in the City of California City; and

WHEREAS, Under Title 5, Chapter 6 off the California City Municipal Code, applicants for a permit to engage in any medical marijuana business must successfully pass to the satisfaction of the City, a background check to be performed using a fingerprinting process known as "LiveScan" which is administered by the California Department of Justice ("DOJ"); and

WHEREAS, the DOJ recently informed the City that they will not administer any LiveScans on behalf of the City under the Medical Marijuana Business Permitting Program until certain specified language is inserted into Medical Marijuana Ordinance; and

WHEREAS, the City Council desires to amend the Medical Marijuana Ordinance to include the language requested approved by the DOJ for the LiveScan background process.

NOW THEREFORE, the City Council of the City of California City does ordain as follows:

**SECTION 1**. Section 5-6.302, Subsection (d) of Article 3 of Title 5, Chapter 6, of the California City Municipal Code, entitled "Medical Marijuana Businesses and Activity", enacted by Ordinance No. 16-742, is hereby amended to read as follows:

## Article 3. Medical Marijuana Business Permits Required for Owner/Operator; Medical marijuana Work Permit Required for Employees.

Sec. 5-6.302.- Medical Marijuana Employee Permit Required.

The City Manager through his/her designee, the Chief of Police, or a designated independent third party company contracted by the City, shall review the application for completeness, shall work with the police department to conduct a background check which will be conducted pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11) which authorizes city authorities to access state and local summary criminal history information for employment, licensing or certification purposes and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation to verify the criminal record, and shall contact previous employers from which

CC3.

the applicant was fired, resigned in order to determine whether the applicant was convicted of a crime or left a previous employer for reasons that show the applicant:

- 1. Is dishonest or untrustworthy; or
- 2. Was convicted of a felony, a violent crime, or crime of moral turpitude.

Discovery of these facts showing that the applicant is dishonest or untrustworthy or has been convicted of those types of crimes are grounds for denial of the permit.

**SECTION 2**. Section 5-6.906, Subsection (m) of Article 9 of Title 5, Chapter 6, of the California City Municipal Code, entitled "Medical Marijuana Businesses and Activity", enacted by Ordinance No. 16-742 is hereby amended to read as follows:

## Article 9. Operating Requirements for All Medical Marijuana Businesses Permitted Under this Chapter.

Sec. 5-6.906.- Miscellaneous Operating Requirements.

(m) <u>Background Check</u>. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorizes city authorities to access state and local summary criminal history information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, supervisor, employee or volunteer, of the medical marijuana business must submit fingerprints and other information deemed necessary by the City Manager or his/her designee(s) for a background check by the California City Police Department. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which requires that there be a requirement or exclusion from employment, licensing, or certification based on specific criminal conduct on the part of the subject of the record, no person shall be issued a permit to operate a medical marijuana business or a related work permit unless they have first cleared the background check, as determined by the Chief of Police, as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City of California City to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a medical marijuana business permit is submitted. If this amount is not sufficient, the applicant shall provide additional amounts that are necessary and if the applicant is unable to provide the additional amounts necessary to complete the investigation, the investigation shall cease and shall not continue until such additional amounts are paid. Upon completion of the investigation or in the event the applicant withdraws their application, any fees paid for this process will be deemed nonrefundable.

**SECTION 3**. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held invalid by a court of competent jurisdiction, such a decision shall not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases, be declared invalid.

**SECTION 4**. Effective Date. This ordinance shall be in full force and effect commencing thirty (30) days after its final adoption and a summary hereof shall be published once within fifteen (15) days in the Mojave Desert News, a newspaper of general circulation printed and published in the County of Kern and circulated in the City of California City and hereby designated for that purpose by the City Council.

City and hereby designated for that purpose by	y the City Council.
This Ordinance was introduced and read by ti and was passed and adopted on this th day	
AYES: NOES: ABSENT:	
	Jennifer Wood, Mayor
ATTEST:	APPROVED AS TO FORM:
Denise Hilliker, City Clerk	Christian Bettenhausen, City Attorney
STATE OF CALIFORNIA ) COUNTY OF KERN ) ss. CITY OF CALIFORNIA CITY )	
I, Denise Hilliker,City Clerk of California Cit ordinance was introduced on the 25th day of C at a meeting thereof on the th day of pursuant to law.	



### City Council

Meeting Date: November 8th 2016

TO: Mayor and Council

FROM: Fire Chief Armstrong

Subject: Fire Department Uniform Allowance

#### Background:

The following is presented to simplify the Fire Department ordering of uniforms. The uniforms items and style have been clearly defined in recent policy revisions and this change in procedure would reduce staff time and costs by placing the responsibility on the Fire Department staff. They will still be able to use our vendors and approved styles; the ordering and shipping would simply fall to the employee.

The Fire Chief was able to negotiate the following agreement with the California City Professional Firefighters Association and this agreement, once approved, will serve to supplement / amend the MOU as a "side-letter".

#### Recommendation:

Council approves the revised procedure and side-letter agreement for uniform allowance pay-outs.

#### Fiscal Impact:

No change in budget- Possibly a decrease in admin staff time to order, track and ship.

Prepared By: Jeff Armstrong, Fire Chief on 11/1/2016

CC4.



# California City Fire Rescue

Fire Administration



**MEMO** 

DATE: 10/25/2016

TO: Andrew Roach, President

California City Professional Firefighters Association

FROM: Fire Chief Armstrong

RE: Side Letter Agreement - Uniforms

(Request to amend past practice \$1200.00 annual uniform allowance)

President Roach.

As per our conversation on uniforms, the City and I are seeking to simplify the uniform ordering procedure by issuing a check to the Full Time Members of the Fire Department rather than having the Department order items for the employee. This is proposed with the following terms and these funds are eligible for purchase of the uniform items listed in the MOU (Article XIX, paragraph A) and covered by the past practice of a \$1200.00 allowance for ordering of items. The terms I have been authorized to offer are:

- 1. This agreement replaces the past practice of Department orders of uniforms with a \$1200.00 allowance.
- 2. \$1200.00 check to the employee after the beginning of the Fiscal Year (July) for the purchase of uniform items. The full amount of \$1200.00 paid to the employee, one time a year, with no deductions. (for FY 16/17, the checks are to be issued after this agreement is reached)
- 3. Employees will be required to be in a uniform that is in compliant with the Department Policy while on Duty.
- 4. Uniform Boots are considered uniform items including Wildland boots. Turnout boots are PPE and provided with the turnouts to employees. Wildland boots must meet NFPA compliance.
- 5. As the Department has adopted "single layering "for Wildland firefighting, crew boss pants will be replaced as needed, through established processes. Each employee has been issued (2) pairs and new hired employees shall receive the same as PPE (in place of the old style yellow pants).

- 6. The Department will stock uniform items that must be ordered in bulk including, T-Shirts (Long and Shirt sleeve) and Ball caps. These will be available for purchase by members. Funds will be given to the Fire Department Administrator at the time of issuance.
- 7. Embroidery is on the Employee and the Department vendor has the approved font and FD logo on file. Employees will take embroidered items to the Departments vendor and pay for them individually and show Department ID. (Currently M&M Sports)

This letter serves as an addendum to Article XIX, paragraph A of the California City Professional Firefighters current MOU.

Jeff Armstrong, Fire Chief:
Date: 10/25/16
Andrew Roach, President:  Date: 10-25-2016
Tom Weil, City Manager:
Date:

#### City Council

Meeting Date: 11/08/2016

To: Mayor and Council

From: Detective John Boston

Subject: Reward offered for Robert Austin Tharp

#### Background:

Robert Austin Tharp was last seen and heard from in early July, 2014. The California City Police Department would like to offer a reward to anyone with information leading to Tharp's whereabouts.

The California City Police Department has followed up on all workable leads and is now asking the public's help.

**Recommendation**: Council to approve use of \$1,000.00 from account number 18-4212-633.

#### Fiscal Impact:

The Finance Director has reviewed the staff report and finds the recommendations to be within the budget constraints of the department.

**Environmental Impact: None** 

Submitted by: Detective John Boston





# CALIFORNIA-CITY POLICE DEPARTMENT

Eric Hurtado, Chief of Police

# Reward Offered for Missing Person

#### ROBERT AUSTIN THARP



The California City Police Department continues to look for leads to help locate missing person Robert Austin Tharp. The California City Police Department is offering a reward of \$1,000 for any information that may lead to Tharp's whereabouts.

Tharp, who is a California City resident, was last seen or heard from in early July, 2014.

Anyone with information regarding the whereabouts of Tharp is urged to call the California City Police Department. (760) 373-8606

## CITY COUNCIL

November 8th, 2016

TO: Successor Agency

FROM: Tom Weil, Executive Director

SUBJECT: Sale of Commercial Property

BACKGROUND: The Successor Agency and the Oversight Board for California City have approved moving forward with the sell of .55 acres referred to as Parcel A and further described in Exhibit A to be sold to K & D Estates Inc. for the purpose of building a fast food Mexican restaurant, (Albertos). The purchase price is \$65,884.50 dollars with a \$10,000 dollar non refundable deposit at opening of escrow with First American Title located in Tehachapi, CA. An additional \$5,000 dollar refundable deposit will also be required at escrow opening.

K & D Estates Inc. will have 120 days to complete their due diligence with a prorate share of the \$5,000 dollars being refundable based on date of cancellation as detailed in Section 3 Due Diligence Period and Inspections, Item B. K & D Estates will then have up to one year of the issuing of the grant deed to complete the buildout of the restaurant with occupancy secured. Failure to complete this arrangement would allow the property to revert back to the Successor Agency for a sum of equal to one half the original purchase price.

K & D Estates Inc. for a period of 12 months after the Alberto's Restaurant is open and operating, shall have a right of first refusal on an offer from the Successor Agency to sell the 1.2 acre parcel, adjacent to the Property, Parcel B, at 80% of the fair market value or at \$2.75 per square foot.

**RECOMMENDATION:** The Successor Agency Board review and approve the Purchase and Sell Agreement as presented and authorize the Executive Director to sign all contractual documents and to open escrow with First American Title.

FISCAL IMPACT: N/A

**ENVIRONMENTAL ACTION: N/A** 

The Finance Director has reviewed the staff report and finds the recommendations to be within the budget constraints of the Department.

#### REAL PROPERTY PURCHASE AND SALE AGREEMENT AND MUTUAL ESCROW INSTRUCTIONS

THIS REAL PROPERTY PURCASE AND SALE AGREEMENT (the "Agreement") is entered effective on the date fully executed by and between the Successor Agency of the Former Redevelopment Agency of the City of California City, a separate public entity ("Successor Agency" or "SELLER") and K & D Estates Inc, a Limited Liability Corporation, organized under the laws of the State of California ("BUYER")..

#### RECITALS

- A. The real property which is subject to this Agreement is generally located at the southwest corner of Constitution Avenue and California City Blvd., California City, California, (commonly referred to as Parcel A and legally described in Exhibit "A" which is attached hereto and incorporated herein by reference (the "Property"). The property is vacant land.
- B. The California State Legislature enacted Assembly Bill x1 26 in 2011 to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code sections 33000 et seq., as amended by Assembly Bill 1484 in 2012 and Senate Bill 107 in 2015) hereafter referenced as "Dissolution Law". All references to Health and Safety Code sections in this Agreement are references to the Dissolution Law.
- C. Prior to the effective date of the Dissolution Law, the Redevelopment Agency of the City of California City (the "Former Redevelopment Agency") owned fee interest title in and to the Property.
- D. On February 1, 2012 and upon dissolution of the Former Redevelopment Agency, the City of California City, acting in a separate limited capacity and as a separate legal entity, became the Successor Agency of the Former Redevelopment Agency of the City of California City ("Successor Agency").
  - E. Successor Agency ("SELLER") now holds fee title interest in and to the Property.
- F. SELLER is responsible for the disposition of the Property in accordance with the procedures and requirements of Dissolution Law. Pursuant to Health and Safety Code Section 34177, successor agencies are required to dispose of assets and properties of the Former Redevelopment Agency expeditiously and in a manner aimed at maximizing the value.
- G. In accordance with Health and Safety Code Section 34191.5, the SELLER prepared and the Oversight Board of the Successor Agency ("Oversight Board") approved a "Long-Range Property Management Plan" which included sale of the Property.
- H. SELLER desires to convey fee title interest in and to the Property to BUYER in a manner consistent with the Dissolution Law requiring, inter alia, the disposition of its former property.
- I. BUYER desires to purchase the Property from SELLER and SELLER desires to sell the Property on the terms and conditions contained in this Agreement.
- J. It is the desire of the SELLER and BUYER and City of California City that within 12 months after the transfer of the Property to the BUYER, the BUYER shall have commenced and completed the construction of the Project; and

- K. It is the desire of the SELLER and BUYER and City of California City that for a period of 12 months after the Alberto's Restaurant is open and operating, Developer shall have a right of first refusal on an offer from the AGENCY to sell the 1.2 acre parcel, adjacent to the Property, at 80% of the fair market value or at \$2.75 per square foot.
- L. BUYER shall improve and use the Property for the Project that is the subject of the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the requirements and conditions of the City of California City.

#### **AGREEMENT**

The foregoing recitals are incorporated herein as if fully set forth. For valuable consideration and subject to the terms and conditions hereof, BUYER and SELLER agree as follows:

#### 1. PURCHASE AND SALE.

- A. <u>Conveyance of Property</u>. SELLER agrees to sell to BUYER and BUYER agrees to purchase from SELLER, the Property on the terms and conditions set forth in this Agreement. BUYER and SELLER agree that the Property is vacant land. The Legal Description of the Property is attached as Exhibit A.
- B. <u>Purchase Price for the Property.</u> The total purchase price to be paid by BUYER to the SELLER for the Property is Sixty Five Thousand Eight Hundred Eighty Four Dollars and Fifty Cents (\$65,884.50)(the "Purchase Price").
- C. Reversion of Fee Title Interest. BUYER shall, within 12 months after the transfer of the Property to the BUYER, to have commenced and completed the construction of the Project; and, pursuant to the Grant Deed, if the BUYER fails to secure a Certificate of Occupancy within one year from the transfer of the Property to BUYER, then the Property shall automatically revert back to the SELLER. In event of such reversion to SELLER, SELLER shall refund to BUYER an amount equal to one-half of the Purchase Price without interest.

#### 2. OPENING OF ESCROW AND DEPOSIT.

A. Opening Escrow. Within five (5) business days of the Effective Date of this Agreement, SELLER shall open an escrow (the "Escrow") with First American Title Company the "Title Company" or "Escrow Holder") for conveyance of the Property to BUYER. This Agreement shall constitute mutual instructions to the Escrow Holder. The Opening Date of escrow shall be the date on which Escrow Holder receives a fully executed copy of this Agreement. BUYER and SELLER shall execute additional escrow instructions as may be required to enable the Escrow Holder to close the escrow consistent with the terms of this Agreement and as BUYER and SELLER may approve, which approval shall not be unreasonably withheld.

#### B. Deposit.

(1) Initial Non-Refundable Deposit. BUYER shall deliver to SELLER a check in the sum of Ten Thousand (\$10,000.00) ("Initial Non-Refundable")

- Deposit"). Immediately upon the opening of Escrow, SELLER shall deliver the Initial Non-Refundable Deposit to Escrow Holder for the benefit of BUYER. The Initial Non-Refundable Deposit shall not be refunded for any reason.
- (2) Additional Refundable Deposit. Within ten (10) days of the Effective Date of this Agreement, BUYER shall deposit into an additional sum of Five Thousand Dollars (\$5,000.00). The Additional Refundable Deposit may be refunded as set forth in B(4), below.
- (3) **DEPOSIT.** Collectively, the Initial Non-Refundable Deposit and the Additional Refundable Deposit may be referred to as the "Deposit".
- Conditions for Refund of the Additional Refundable Deposit. The **(4)** Additional Refundable Deposit shall become nonrefundable to BUYER upon expiration of the Due Diligence Period if this Agreement has not been terminated; except that the Additional Refundable Deposit shall be refundable to BUYER if: (i) Escrow fails to close due to SELLER's default or breach of its representations or warranties under this Agreement or (ii) Closing fails to occur due to the failure of any condition to Closing set forth in this Agreement which is for the benefit of the BUYER. A full refund or partial refund of Additional Refundable Deposit may also be made to BUYER pursuant to Section 3.B of this Agreement. If upon termination of this Agreement SELLER is entitled to retain any portion of the Deposit, then BUYER shall within one (1) business day thereafter instruct Escrow Holder to immediately release such portion of the Deposit to SELLER (which obligation shall survive the termination of this Agreement). Upon termination of this Agreement, the parties shall have no further obligations hereunder except for the Surviving Obligations. As used in this Agreement, "Surviving Obligations" shall mean all obligations of BUYER and/or SELLER which are expressly stated in this Agreement to survive Close of Escrow (defined in Section 6.A) or termination of this Agreement.
- (5) Handling of Deposit. The Deposit shall be deposited in an interest bearing money market or savings account with a national banking association or federally chartered savings and loan association, which interest shall accrue to the benefit of the BUYER and shall be applied to the Purchase Price at the Closing.

#### 3. DUE DILIGENCE PERIOD AND INSPECTIONS.

A. <u>Due Diligence Period.</u> BUYER shall have until one hundred twenty (120) days following the Effective Date to conduct BUYER's due diligence, as BUYER deems necessary, but at BUYER's sole cost and expense, including but not limited the right to review and approve the Property Materials, to inquire and meet with all governmental or quasi-governmental authorities, and to inspect and approve the physical conditions of and all other matters concerning the Property (the "Due Diligence Period"). If BUYER is not satisfied for whatever reason, or no reason, with the condition of the Property, BUYER has the affirmative duty to terminate this Agreement not later than the expiration of the Due Diligence Period by providing SELLER and Escrow Holder written notice thereof ("Buyer's Termination Notice") prior to the end of the Due Diligence Period. If BUYER fails to deliver BUYER's Termination Notice, then, BUYER shall be deemed to have elected not to terminate this Agreement.

#### GRANT DEED

## RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: California City 21000 Hacienda Blvd California City, CA 93505 Attn: City Clerk Space Above This Line Reserved for Recorder's Use APN: **GRANT DEED** FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency of the Former Redevelopment Agency of the City of California City, a public body politic, ("Grantor") hereby GRANTS to K & D Estates Inc, a Limited Liability Corporation ("Grantee"), the certain real property located in the City of California City, Count of Kern,, State of California, described in the legal description attached hereto as Exhibit "A," and incorporated herein by this reference. The Grant of Property, hereunder, is subject to the following condition: Grantee shall develop the Property as a fast food restaurant ("Project") pursuant to the terms of the Purchase and Sale Agreement, between the Grantor and Grantee, dated ("P&S Agreement") and pursuant to any terms and conditions of Project approval set forth by the City of California City; and if Grantee fails to secure a Certificate of Occupancy within one year of the date of this Grant Deed, then fee title to the Property shall revert back to the Grantor; and, in the event of reversion, Grantor shall refund to Grantee the a sum equal to one half of the Purchase Price without interest as set forth in the P&S Agreement. If legal proceedings are initiated to enforce the rights, duties or obligations of any of the covenants set forth in this Grant Deed, then the prevailing party in such proceeding shall be entitled to collect its reasonable attorney fees and costs from the other party in addition to any other damages or relief obtained in such proceedings. Dated: \_\_\_\_\_ Successor Agency to the California City Redevelopment Agency

Its:\_\_\_\_\_

STATE OF CALIFORNIA	)		
COLDIENTON	) ss.		
COUNTY OF KERN	)		
On	, before me, _		, Notary Public,
personally appeared			
personally known to me (or prove whose name(s) is/are subscribed t executed the same in his/her/their sinstrument the person(s) or the entit I certify under PENALTY	to the within instrur authorized capacity(i ty upon behalf of wh	ment and acknowledged to ies), and that by his/her/the ich the person(s) acted, exe	me that he/she/they eir signature(s) on the cuted the instrument.
forgoing paragraph is true and corre		or the land of the state (	,, camorana anar anc
Witness my hand and official	al seal.		
	Notary Pub	olic	
[SEAL]			

- B. <u>Return of Deposit During Due Diligence Period</u>. Upon receipt of Buyer's Termination Notice in escrow pursuant to Section 3.A., the Additional Refundable Deposit or portion thereof shall be returned as follows:
  - (i) The full Additional Refundable Deposit shall be refunded upon notification by the Buyer within the first (30) days of the Due Diligence Period that it is cancelling the contract.
  - (ii) Seventy five percent (75%) of the Additional Refundable Deposit shall be refunded upon notification by the Buyer more than thirty (30) but less than (60) days of the Due Diligence Period that it is cancelling the contract.
  - (iii) Fifty percent (50%) of the Additional Refundable Deposit shall be refunded upon notification by the Buyer more than sixty (60) but less than ninety (90) days of the Due Diligence Period that it is cancelling the contract.
  - (iv) Twenty five percent (25%) of the Additional Refundable Deposit shall refunded upon notification by the Buyer more than ninety (90) but less than one hundred twenty (120) days of the Due Diligence Period that it is cancelling the contract.

After the Due Diligence Period, if the Agreement is not terminated pursuant to Section 3.A., the Additional Refundable Deposit shall become nonrefundable.

- C. <u>Property Materials.</u> Not later than three (3) days following the Effective Date, SELLER shall deliver to BUYER the following documents relating to the Property to the extent in the possession or control of SELLER (collectively, the "Property Materials"): (i) all soils, groundwater, environmental, property inspection and other reports and test results relating to the physical condition of the Property, including without limitation engineers' and consultants' plans, reports, and studies relating to the physical condition of the Property; (ii) all notices of violations of laws, if any, from any governmental or quasi-governmental authorities related to the Property; and (iii) other correspondence and notices from any governmental or quasi-governmental authorities related to the Property.
- D. <u>Access.</u> Subject to this Section below, until the earlier to occur of the Close of Escrow or termination of this Agreement, BUYER shall have the right to enter upon the Property to inspect, investigate and conduct tests upon the Property, as BUYER, in its sole discretion deems necessary but at its sole cost and expense. BUYER shall keep the Property free and clear of any and all liens related to BUYER's inspections, test, and investigations. All entry onto and inspections of the Property shall be subject to the following:
  - (1) BUYER shall give SELLER not less than one (1) business day prior notice of any entry onto the Property by BUYER or by BUYER's agents, employees, consultants, and contractors (collectively, "BUYER's Representatives").
  - (2) If the Property is physically damaged in connection with any of BUYER's or BUYER's Representatives' activities on, in or about the Property pursuant to this Agreement, then BUYER, at BUYER's sole cost and expense, shall promptly repair such damage.
- 4. (3) BUYER shall indemnify, protect, defend (with counsel reasonably acceptable to SELLER) and hold harmless SELLER and each of SELLER's employees, agents, officer, directors, and City Council for, from and against any and all claims,

damages, liens, suits, causes of action, legal or administrative proceedings, finds, penalties, judgments, demands, obligations, costs, liabilities and losses (including mechanics' liens) and expenses (including, without limitation, reasonable attorneys' fees) (all collectively and each individually referred to herein as the "Claims and Liabilities") for property damage (both real and personal), death or personal injury to the extent caused by the acts or negligence of BUYER or BUYER's Representatives acting on behalf of BUYER pursuant to this Agreement while on, in, or about the Property, subject to this Section 4.C below, which obligation shall survive Close of Escrow or termination of this Agreement.TIMING OF DEVELOPMENT

BUYER shall develop the Project and shall have successfully applied for and received building permits from the City of California City within ninety (90) days of the effective date of this Agreement; and BUYER shall begin construction of the Project within a reasonable time after the issuance of building permits, and, shall complete construction and secure a Certificate of Occupancy within twelve (12) months after the transfer of the Property to the BUYER. BUYER acknowledges and agrees that should BUYER fail to comply with its obligations under this Section, then (1) BUYER shall not have the right of first refusal to purchase from the SELLER the 1.2 acre parcel adjacent to the Property; (2) pursuant to the Grant Deed and this Agreement, fee title interest to the Property shall revert back to the SELLER; (3) Upon reversion of fee title interest to the SELLER, SELLER shall refund to BUYER no more than one-half of the Purchase Price for the Property without interest as provided in the Purchase and Sale Agreement; (4) City of California City shall have the right to utilize in any way and/or sell any and all architectural, engineering, and construction plans and specifications for the Project without compensation to the BUYER for same; and (5) City of California City shall, at its option, make a claim against the Performance Bond or assign to a third party the City's right to make such a claim.

#### 5. PERFORMANCE BOND

Concurrently with execution of this Agreement, BUYER shall deliver to City of California City a performance bond in the sum of the amount that is equal to the total Project cost, on the forms provided by the City Clerk, which secures the faithful performance of this Agreement and completion of the Project. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bonds shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the BUYER promptly and faithfully performs all terms and conditions of this Agreement.

#### 6. PROJECT APPROVALS

BUYER shall secure, at BUYER'S expense, all licenses, permits, authorizations, including but not limited to any land use approvals, required for the Project and use of the Property from all applicable government and/or regulatory entities ("Governmental Approvals"). SELLER expressly grants to BUYER a right of access to the Property to perform surveys, soils tests, and other engineering procedures or environmental studies on the Property necessary to determine that BUYER's use of the Property for the Project is compatible with BUYER's engineering specifications, system design, operations and Governmental Approvals.

Notwithstanding anything stated in this Agreement to the contrary, BUYER understands that the execution of this Agreement is not a guarantee by the City that the proposed use will be allowed on the subject parcel. BUYER shall not be entitled to occupy the

Premises, and shall not be entitled to utilize the Premises for the proposed use, unless and until BUYER first obtains any and all required Governmental Approvals and land use entitlements for the Project on the Premises, including but not limited to BUYER's compliance with any requirements of the California Environmental Quality Act ("CEQA"). The City is not obligated to grant any such approvals, and the process of reviewing and granting of such approvals with respect to the Project on the Premises will be subject to the standard independent review process and procedures established by the City from time to time. Moreover, nothing herein shall be construed as a waiver of the City's right to defend, to the fullest extent of the law, its use of its discretionary authority and executive powers. This Agreement shall be void and of no effect if the land use approvals are not granted, with no further right or obligation of either party to each other.

#### 7. REPRESENTATIONS, WARRANTIES AND COVENANTS.

- A. <u>Representations by SELLER.</u> SELLER represents and warrants to BUYER based on information and belief as follows:
  - (1) No other consent or approval is required for the execution and delivery of this Agreement by SELLER or the performance by SELLER of its obligations hereunder other than those already obtained by SELLER, or specifically set forth in this Agreement.
  - (2) To the best of SELLER's knowledge, based on information and belief presently available to SELLER at the time of this Agreement, the Property Materials delivered to BUYER are complete copies of such documents in the actual possession or control of SELLER, and are all of the Property Materials known to be in the actual possession or control of SELLER. Prior to Closing, SELLER agrees to promptly deliver to BUYER any additional documents received by SELLER relating to the physical condition, use, and operation of the Property.
  - (3) SELLER has not received written notice from any governmental or quasigovernmental authority of existing violations of any laws or other legal requirements specifically with respect to the Property.
  - (4) As of the Closing, there shall be no outstanding contracts made by SELLER for any improvements to the Property which have not been fully paid for, and SELLER shall cause to be discharged and removed as an exception to title all mechanics' and materialmen's liens arising from any labor and material furnished prior to the Closing (other than those caused by work performed by BUYER).

The representations and warranties of SELLER set forth in this Section 4.A shall survive the Close of Escrow.

- B. Representations by BUYER. BUYER represents and warrants to SELLER that no consent or approval from anyone other than BUYER is required for the execution and delivery of this Agreement by BUYER or the performance of BUYER of its obligations hereunder. The representations and warranties of BUYER set forth in this Section 4.B shall survive the Close of Escrow.
- C. <u>Mutual Representations and Indemnity</u>. Each party represents and warrants to the other that it has had no dealings with any real estate broker, agent, or finder in connection with the negotiation of this Agreement. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection with this Agreement, BUYER, if such

claim is based upon an alleged relationship with or any agreement alleged to have been made by BUYER, hereby agrees to indemnify, protect and defend with counsel reasonably acceptable to SELLER and hold SELLER and its officers, agents, employees, successors and assigns harmless against any and all such claims and liabilities which SELLER may or does sustain or incur by reason of such claim or claims. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection herewith, SELLER, if such claim is based upon an alleged relationship with or any agreement alleged to have been made by SELLER, hereby agrees to indemnify, protect, and defend with counsel reasonably acceptable to BUYER, and hold BUYER, officers, agents, employees, successors and assigns harmless against any and all Claims and Liabilities which BUYER may sustain or incur by reason of such claim or claims. The provisions of this Section 4.C shall survive the Close of Escrow or termination of this Agreement.

#### D. <u>Covenants of SELLER.</u> SELLER hereby agrees as follows:

- (1) After the Effective Date and prior to the Closing, no part of the Property, or any interest therein, shall be sold, encumbered or otherwise transferred without BUYER's prior written consent.
- (2) Prior to Closing, SELLER Shall promptly notify BUYER of any fact or circumstance of which SELLER becomes aware which would make any of SELLER's representations and warranties untrue in any material respect, or any covenant of SELLER under this Agreement incapable or improbably of being cured or performed.

#### E. Covenants of BUYER.

- (1) BUYER shall not cause or be the reason for the imposition of any mechanics' and materialmen's liens to be placed on or attached to the Property prior to Closing.
- (2) Prior to Closing, BUYER shall promptly notify SELLER of any fact or circumstance of which BUYER becomes aware which would make any of BUYER's representations and warranties untrue in any material respect, or any covenant of BUYER under this Agreement incapable of being cured or performed.

#### 8. AS-IS.

A. "AS-IS" Purchase. BUYER EXPRESSLY ACKNOWLEDGES AND AGREES, AND REPRESENTS AND WARRANTS TO SELLER, THAT, EXCEPT FOR THE SELLER REPRESENTATIONS AND COVENANTS EXPRESSLY SET FORTH HEREIN BUYER IS PURCHASING THE PROPERTY "AS-IS", AND "WITH ALL FAULTS", AFTER SUCH INSPECTION, ANALYSIS, EXAMINATION AND INVESTIGATION BUYÉR DESIRES TO MAKE AND EXPRESSLY WITHOUT SELLER'S COVENANT, WARRANTY OR REPRESENTATION AS TO PHYSICAL CONDITION, TITLE, LEASES, RENTS, REVENUES, INCOME, EXPENSES, OPERATION, ACCESS, ZONING OR OTHER SUITABILITY FOR PARTICULAR REGULATION, COMPLIANCE WITH LAW, PURPOSES OR ANY OTHER MATTER WHATSOEVER, EXCEPT FOR THE SELLER REPRESENTATIONS AND COVENANTS SET FORTH IN THIS AGREEMENT OR ANY REPRESENTATIONS AND COVENANTS OF SELLER SET FORTH IN ANY DOCUMENT DELIVERED BY SELLER AT THE CLOSING. SELLER HAS NO OBLIGATION TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS TO THE PROPERTY, OR TO PAY ANY FEES, COSTS OR EXPENSES RELATED TO THE PROPERTY EXCEPT AS PROVIDED IN THIS AGREEMENT. BUYER ACKNOWLEDGES AND AGREES THAT,

EXCEPT FOR THE SELLER REPRESENTATIONS AND COVENANTS HEREIN AND ANY REPRESENTATIONS AND COVENANTS OF SELLER SET FORTH IN ANY DOCUMENT DELIVERED BY SELLER AT THE CLOSING, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO: (A) THE VALUE OF THE PROPERTY; (B) THE INCOME TO BE DERIVED FROM THE PROPERTY; (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON, INCLUDING THE POSSIBILITIES FOR DEVELOPMENT OF THE PROPERTY; MARKETABILITY, MERCHANTABILITY, HABITABILITY, PROFITABILITY FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; (E) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY; (F) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING WITHOUT LIMITATION, SOILS AND GEOLOGY; (G) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (H) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATION, ORDERS OR REQUIREMENTS, INCLUDING BUT NOT LIMITED TO, TITLE III OF THE AMERICANS WITH DISABILITIES ACT OF 1990, CALIFORNIA HEALTH AND SAFETY CODE, THE FEDERAL WATER POLLUTION CONTROL ACT, THE FEDERAL RESOURCE CONSERVATION AND RECOVERY ACT, THE U.S. ENVÍRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 CFR PART 261, CERCLA, AS AMENDED, RCRA, THE CLEAN WATER ACT, THE SAFE DRINKING WATER ACT, THE HAZARDOUS MATERIALS TRANSPORTATION ACT AND THE TOXIC SUBSTANCE CONTROL ACT, AS ANY OF THE FOREGOING MAY BE AMENDED FROM TIME TO TIME AND REGULATIONS PROMULGATED UNDER ANY OF THE FOREGOING FROM TIME TO TIME; (I) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER, OR ADJACENT TO THE PROPERTY; (J) THE CONTENT, COMPLETENESS OR ACCURACY OF THE PROPERTY DOCUMENTS AND ANY OFFERING CIRCULAR OR INFORMATION PACKAGE PROVIDED BY SELLER; (K) THE CONFORMITY OF THE PROPERTY TO PAST, CURRENT OR FUTURE APPLICABLE ZONING OR BUILDING REQUIREMENTS; (L) DEFICIENCY OF ANY DRAINAGE OR UNDERSHORING; (M) THAT THE PROPERTY MAY BE LOCATED ON OR NEAR EARTHQUAKE FAULTS; (N) THE EXISTENCE OR NON-EXISTENCE OF LAND USE, ZONING OR BUILDING ENTITLEMENTS AFFECTING THE PROPERTY; (O) THE ENTITLEMENT STATUS OF THE PROPERTY, INCLUDING, BUT NOT LIMÍTED TO, GENERAL PLAN STATUS, SPECIFIC PLAN STATUS, ZONING STATUS, SUBDIVISION STATUS UNDER THE CALIFORNIA SUBDIVISION MAP ACT; (P) THE APPLICABILITY OF THE FEDERAL OR CALIFORNIA ENDANGERED SPECIES ACTS AND THE EXISTENCE OF ANY SPECIES PROTECTED THEREUNDER; (Q) ANY NON-COMPLIANCE OF THE PROPERTY OR ANY IMPROVEMENTS; (R) ANY ERRORS, INACCURACIES OR DEFECTS IN THE WORK PRODUCT RELATING TO THE PROPERTY; OR (S) ANY OTHER MATTER CONCERNING THE PROPERTY. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND HAVING OBTAINED AND **EXAMINED** SUCH INFORMATION DOCUMENTATION AFFECTING THE PROPERTY AS BUYER HAS DEEMED NECESSARY OR APPROPRIATE, BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATIONS AND REVIEW, AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER OTHER THAN THE SELLER REPRESENTATIONS AND COVENANTS SET FORTH HEREIN AND ANY REPRESENTATIONS AND COVENANTS OF SELLER SET FORTH IN ANY DOCUMENT DELIVERED BY SELLER AT THE CLOSING. AT THE CLOSING BUYER SHALL HAVE INDEPENDENTLY CONFIRMED,

SUBJECT TO THE SELLER REPRESENTATIONS AND COVENANTS SET FORTH HEREIN AND ANY REPRESENTATIONS AND COVENANTS OF SELLER SET FORTH IN ANY DOCUMENT DELIVERED BY SELLER AT THE CLOSING, TO ITS SATISFACTION ALL INFORMATION THAT IT CONSIDERS MATERIAL TO ITS PURCHASE OF THE PROPERTY, INCLUDING WITHOUT LIMITATION EXISTENCE OF ANY AND ALL MUNICIPAL FEES, CHARGES, OR OTHER LIABILITIES THAT MAY EXIST WITH RESPECT TO THE PROPERTY. EXCEPT FOR THE SELLER REPRESENTATIONS AND COVENANTS, BUYER ASSUMES ALL RISK OF DISCOVERING AND UNDERSTANDING ALL FACTS AND CIRCUMSTANCES RELATING TO THE PROPERTY, INCLUDING PHYSICAL **FEATURES** CONDITIONS. **PERMIT** AND **ENTITLEMENT** STATUS, DEVELOPMENT LIABILITIES, AND OTHER FACTORS RELEVANT OBLIGATIONS, DEVELOPMENT OF THE REAL PROPERTY. SELLER FURTHER ADVISES BUYER THAT PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1102, 1103.1(A), 3434 AND OTHER APPLICABLE PROVISIONS OF CALIFORNIA LAW, SELLER IS NOT LIABLE AND SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE OCCASIONED BY ANY CONSTRUCTION DEFECT OR OTHER DEFECT IN THE REAL OR PERSONAL **PROPERTY** SO DESIGNED, MANUFACTURED, CONSTRUCTED, REPAIRED. MODIFIED OR IMPROVED OR FOR ANY LOSS OR DAMAGE RESULTING FROM THE FAILURE OF SELLER OR ANY OTHER PARTY THAT PARTICIPATED IN THE DESIGN OR CONSTRUCTION OF THE PROPOSED IMPROVEMENTS ON THE PROPERTY TO USE DUE CARE IN THE DESIGN, MANUFACTURE, CONSTRUCTION, REPAIR, MODIFICATION OR IMPROVEMENT OF SUCH REAL OR PERSONAL PROPERTY. THIS PROVISION WILL SURVIVE THE CLOSING AND CONSTITUTE MATERIAL CONSIDERATIONS FOR SELLER'S AGREEMENT TO SELL THE PROPERTY TO BUYER.

B. Release. Effective upon the Closing, except as otherwise provided herein or in any documents delivered at the Closing, BUYER, on behalf of itself, and the BUYER representatives fully, unconditionally, and irrevocably release SELLER from any and all claims that BUYER may now have or hereafter acquire against SELLER for any liabilities arising from or related to Property, its design, development, entitlements or any conditions existing or events occurring on, in or about the Property before the Closing, including without limitation any construction defects, or other conditions, latent or otherwise, including, without limitation, environmental matters affecting the Property or any portion thereof; provided, however, that nothing herein shall constitute a release of any other claims for liabilities other than as specified above. The foregoing release includes claims of which BUYER is presently unaware or which Buyer does not presently suspect to exist which, if known by BUYER, would materially affect Buyer's release of the Released Parties. In connection with this release, BUYER specifically waives the provision of California Civil Code Section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

This release by BUYER shall constitute a complete defense to any claim, cause of action, defense, contract, liability, indebtedness or obligation released pursuant to this release. Nothing in this release shall be construed as (or shall be admissible in any legal action or proceeding as) an admission by SELLER or any other released party that any defense, indebtedness, obligation, liability, claim or cause of action exists which is within the scope of those hereby released.

BUYER'S Initials	SELLER'S

#### BUYER'S ACKNOWLEDGMENT OF ABXI 26 AND INDEMNIFICATION OF CITY AND SELLER

BUYER acknowledges and agrees that the SELLER's original acquisition of the Property was pursuant to Health and Safety Code Section 33000 et. seq. otherwise known as the California Redevelopment Law. BUYER further acknowledges and agrees that the SELLER is selling the Property as a result of the California Supreme Court's decision in California Redevelopment Association v. Matosantos which upheld ABX1 26 which dissolved all redevelopment agencies operating within the State of California. BUYER acknowledges and agrees that under ABX1 26, the SELLER's sale the Redevelopment agency Property is subject to a number of legal requirements ("ABX1 26 Sale Approvals") in order to complete this sale. BUYER acknowledges and agrees that the SELLER has no control over ABX1 26 Sales Approvals. BUYER hereby acknowledges and agrees that it will not bring any claims, demands, suits, actions or proceedings of any kind or nature against the SELLER or the City of California City, their respective agents, employees, consultants or volunteers related to ABX1 26 Sale Approvals of the Redevelopment BUYER shall indemnify, defend, and hold harmless the SELLER and City of California City against any and all claims, challenges, and/or legal proceedings of any kind brought by anyone seeking to void and set aside this Agreement and/or transfer of the Property on any basis; or, otherwise, challenging the sale price.

INITIALS OF BUYER:

INITIALS OF SELLERS:

**Initials** 

#### 10. CLOSING AND ESCROW INSTRUCTIONS.

A. <u>Closing</u>. The consummation of the purchase and sale of the Property (the "Closing" or "Close of Escrow") shall take place on the Closing Date, through the escrow established with Escrow Holder ("Escrow"), as evidence by recordation of the Grant Deed described in Section 6.B. in the Official Records of Kern County, California ("Official Records"). The "Closing Date" shall be 30 days after the last date of the Due Diligence Period or such earlier date as the parties may mutually agree upon (without obligation to so agree).

#### B. SELLER'S Deposits.

Prior to Closing, in sufficient time prior thereto to allow Closing on the Closing Date, SELLER shall cause to be delivered into the Escrow:

- (1) A Grant Deed executed by SELLER, with signatures notarized for recording in the Official Records, conveying to BUYER the Property, in the form of Exhibit "B" attached hereto ("Grant Deed"), which Grant Deed shall be recorded in the Official Records at the Closing;
- (2) An affidavit in compliance with the Foreign Investment and Real Property Tax Act and a California Tax Withholding Form 593-C, executed by SELLER (the "Non-Foreign Status Certificate" and "Form 593-C", respectively), certifying that SELLER is not subject to withholding under federal or state law; and
- (3) Such additional instruments or documents reasonably required by Escrow Holder in order to consummate the purchase and sale of the Property in accordance with the terms and conditions of this Agreement, to the extent consistent with this Agreement, including

without limitation escrow instructions and an owner's affidavit reasonably required by the Title Company to enable the Title Company to issue the Title Policy to BUYER at the Closing.

- C. <u>BUYER'S Deposits.</u> Prior to Closing, in sufficient time prior thereto to allow Closing to occur on the Closing Date, BUYER shall cause to be delivered into the Escrow the following:
  - (1) In immediately available funds a sum equal to the Purchase Price, plus BUYER's estimated Closing Costs, less the Deposit, together with any interest earned thereon; and
  - (2) Such additional instruments or documents reasonably required by Escrow Holder in order to consummate the purchase and sale of the Property in accordance with the terms and conditions of this Agreement, to the extent consistent with this Agreement, including without limitation escrow instructions.
- D. Failure to Timely Close Escrow. If the Closing does not occur by the Closing Date, then either party not then in default may elect to terminate this Agreement and cancel Escrow by giving written notice of such termination and cancellation to the other party. If neither party is in default, then the cost of cancellation of the Escrow shall be shared equally between BUYER and SELLER, unless otherwise expressly provided in the Agreement. If only one of the parties hereto is in default, then such defaulting party shall pay for the entire cost of cancellation of the Escrow. The termination of this Agreement and cancellation of the Escrow, as provided herein, shall be without prejudice to whatever legal rights, as said rights may be limited by the terms contained in this Agreement, that BUYER or SELLER may have against each other arising out of this Agreement and the Escrow, which rights shall survive the termination of this Agreement.

#### E. Conditions to Closing.

- (1) BUYER'S Conditions. In addition to all other conditions to the completion of the transaction described in this Agreement, SELLER and BUYER agree that the Closing of the sale and purchase contemplated by this Agreement is subject to satisfaction, approval or waiver by BUYER of the matters specified below in this Section 6.E.(1), which conditions are solely for the benefit of the BUYER and can be unilaterally waived by BUYER:
- i. The Title Company shall be irrevocably committed to issue to BUYER at the Closing an Owner's Standard ALTA policy of title insurance in the amount of the Purchase Price, insuring the Property is vested in BUYER subject to no exceptions other than the Permitted Exceptions, in the form and with endorsements to be approved by BUYER prior to the end of the Due Diligence Period (the "Title Policy");
- ii. There shall have been no material adverse change in the physical condition of the Property from the Effective Date through the Closing Date; and
- iii. SELLER shall not be in material default of SELLER's obligations under this Agreement, and all of SELLER's express representations and warranties set forth in this Agreement shall continue to be true, correct, and unchanged in all material respects as of the Closing.

- (2) **SELLER's Conditions**. In addition to all other conditions to the completion of the transaction described in this Agreement, SELLER and BUYER agree that the Closing of the sale and purchase contemplated by this Agreement is subject to satisfaction, approval or waiver by SELLER of the matters specified below in this Section, which conditions are solely for the benefit of SELLER and can be unilaterally waived by SELLER:
- i. BUYER shall not be in material default of BUYER's obligations under this Agreement, and all of BUYER's express representations and warranties set forth in this Agreement shall continue to be true, correct, and unchanged in all material respects as of the Closing.
- ii. BUYER shall have acquired (1) all the entitlements, including an approved set of Development Plans for the Project; (2) any and all financing, if any; and (3) building permits to start the actual construction of the Project
- F. <u>Title.</u> At Closing, title to the Property shall be conveyed to BUYER subject to only the following exceptions (collectively, "Permitted Exceptions"): (i) non-delinquent real property taxes and assessments (if any), (ii) the standard pre-printed exceptions and exclusions contained in an ALTA Standard coverage owner's policy of title insurance, and (iii) liens and encumbrances resulting from the acts of BUYER or any of BUYER's representatives. Anything to the contrary in this Agreement notwithstanding, SELLER shall pay or discharge, or cause to be removed, whether or not specifically objected to by BUYER, all monetary liens or encumbrances affecting the Property (other than non-delinquent real property taxes and assessments, and other than monetary liens and encumbrances created by BUYER, but otherwise including without limitation all deeds of trust and mortgages and other encumbrances relating thereto, judgment liens, mechanics' and materialmen's liens or claims of lien, and liens relating to defaulted taxes), and all liens or encumbrances voluntarily created or assumed by SELLER prior to the Close of Escrow; and in no event shall SELLER be allowed to elect or be deemed to have elected not to pay, discharge or cause to be removed such matters.

If following the Effective Date, the Title Company discloses additional exceptions not previously disclosed as exceptions in the preliminary title report delivered to BUYER before the Effective Date, other than the Permitted Exceptions, then unless BUYER accepts to accept title as it then is without reduction of the Purchase Price, BUYER may, at its option determined in BUYER's sole and absolutely discretion, terminate this Agreement, in which event the Nonrefundable Consideration shall be released to SELLER if such exception has not been caused by SELLER's default under this Agreement (and otherwise it shall be released to BUYER), and the Deposit Balance shall be returned to BUYER.

#### E. Prorations.

(1) Subject to Subsection (2) below, all revenues and expenses of the Property, including without limitation real property taxes, special taxes, assessments (if any) shall be prorated and apportioned between BUYER and SELLER as of the Closing Date, so that SELLER bears all expenses with respect to the Property, and has the benefit of all income with respect to the Property, through and including the date immediately preceding the Closing Date. If any portion of the Property is affected by any assessment or other charge, whether for taxes or bonds, or interest thereon, which is or may become payable in installments, and an installment payment of such assessment is

then a lien due and payable as part of the annual ad valorem property tax bill received for the Property, then such installment shall be prorated as of the Closing Date; and if any such assessment or other charge is not payable in installments or are not billed as part of the annual ad valorem property tax bill for the Property, shall be paid in full by SELLER at the Closing. Notwithstanding the foregoing, SELLER shall be solely responsible for clearing all possessory interest taxes from the Property not later than the Closing. Any necessary adjustment due either party on receipt of a supplemental tax bill will be made by the parties outside of this Escrow within the time required by this Section 10 below, which obligation shall survive the Closing.

- (2) Subject to Subsection (1) above, if any of the items to be prorated as of Closing cannot be finally determined as of Closing, the prorations shall be made at Closing based on the last available information, and post-closing adjustments between BUYER and SELLER shall be made within twenty (20) days after the date that the actual amounts are determined, and if payment is not made within this twenty (20) day period the party owing such sums shall pay interest thereon, at the rate of ten percent (10%) per annum, from the date of delivery of the bill to the non-paying party to the date of payment. This subsection shall survive the Closing.
- H. <u>Title Charges, Other Closing Costs.</u> If this transaction is terminated by BUYER prior to the expiration of the Due Diligence Period for any reason other than SELLER's default hereunder, BUYER shall pay all escrow costs billed by the Escrow Holder and Title Company. If this transaction closes as provided in this Agreement:
  - (1) SELLER shall pay that portion of the premium for the Title Policy attributable to ALTA Standard Owner's Policy of coverage (exclusive of endorsements), and the escrow fees;
  - (2) BUYER shall pay recording fees for the recording of the Grant Deed (if any), and the portion of the premium for the Title Policy attributable to an ALTA Extended Policy coverage and endorsements issued with the Title Policy, if BUYER so elects to obtain an ALTA Extended Policy; and
  - (3) All other Closing costs, if any, shall be allocated between SELLER and BUYER in accordance with the custom in Kern County, California.
- I. <u>Disbursement of Funds.</u> On the Close of Escrow, Escrow Holder shall be instructed to disburse the Purchase Price less: (i) SELLER's share of prorations as determined pursuant to Subsection G immediately above, and (ii) SELLER share of costs of Escrow in immediately available funds, as directed by SELLER.
- J. <u>Delivery of Documents.</u> Escrow Holder shall be instructed to, upon the Close of Escrow, deliver all instruments and documents as follows:
  - (1) Escrow Holder shall be instructed to deliver to SELLER:
    - A copy of the Grant Deed executed by SELLER, showing recording information, and certified by the Escrow Holder as being a true and complete copy of the Grant Deed recorded in the Official Records;

- ii. A copy of the Non-Foreign Status Certificate, and Form 593-C;
- iii. A copy of all other documents deposited into Escrow; and
- iv. The Purchase Price, less the costs and prorations chargeable to SELLER pursuant to this Agreement.
- (2) Escrow Holder shall be instructed to deliver to BUYER following the Close of Escrow the following:
  - i. A copy of the Grant Deed signed by SELLER, showing recording information, and certified by the Escrow Holder as being a true and complete copy of the Grant Deed recorded in the Official Records;
  - ii. A copy of the Non-Foreign Status Certificate, and Form 593-C;
  - iii. The original Title Policy; and
  - iv. A copy of all other documents deposited into Escrow.

#### 11. CONDEMNATION.

If between the date of this Agreement and the Closing Date any condemnation or eminent domain proceedings are initiated which would result in the taking of any portion of the Property, then BUYER may terminate this Agreement by written notice of the commencement or occurrence of any condemnation or eminent domain proceedings affecting the Property. If such proceedings are initiated for the taking of any part of the Property, BUYER shall then notify SELLER, within ten (10) business days after BUYER's receipt of SELLER's notice (but in no event later than the Closing Date), whether or not BUYER elects to terminate this Agreement. If BUYER elects not to terminate this Agreement or fails to make an election within such ten (10) business day period or prior to the Closing Date, whichever is earlier, then BUYER shall be deemed to have elected to proceed with the Closing without any reduction to the Purchase Price, in which event SELLER shall assign to BUYER at Closing all of SELLER's right, title and interest in and to any award made in connection with such condemnation or eminent domain proceedings, or if such payment has been received by SELLER such payment shall be credited to BUYER at the Closing, and Closing shall be delayed, if necessary, until the later to occur of (i) the Closing Date, or (ii) ten (10) days after the expiration of the ten (10) business day period. If this Agreement is terminated in accordance with this Section 7, then the Deposit shall be refunded to BUYER by the Escrow Holder, and SELLER and BUYER shall thereupon be released from all further obligations under this Agreement other than the Surviving Obligations.

#### 12. RISK OF LOSS.

If prior to the Closing, the Improvements, or any part thereof, are materially and substantially damaged or destroyed such that the total cost of restoring the Property to the

condition that existed just prior to the damage of destruction is equal to or exceeds thirty percent (30%) of the Property's fair market value prior to the damage or destruction, BUYER has the right, exercisable by giving written notice to the SELLER within ten (10) days after receiving written notice of such damage or destruction (but in any event no later than the Closing Date, either (i) to terminate this Agreement, in which case the Deposit shall be returned to BUYER, and any other money or documents in escrow shall be returned to the party depositing the same, and neither party shall have any further rights or obligations under this Agreement other than the Surviving Obligations, or (ii) to accept the Property in its then condition and to proceed with the Closing. A failure by BUYER to notify SELLER in writing within such ten (10) business day period or prior to the Closing Date, whichever is earlier, will be deemed an election to proceed under clause (ii) above. If BUYER elects (ii) in the prior sentence, all of SELLER's insurance proceeds, if any, shall be retained by SELLER

#### 13. DEFAULT AND REMEDIES.

A. DEFAULT BY BUYER; LIQUIDATED DAMAGES. IF THE SALE OF THE PROPERTY IS NOT CONSUMMATED BECAUSE OF BUYER'S DEFAULT UNDER THIS AGREEMENET, ESCROW HOLDER SHALL BE INSTRUCTED BY SELLER TO CANCEL THE ESCROW, SELLER AND BUYER SHALL THEREUPON BE RELEASED FROM EACH OF ITS RESPECTIVE OBLIGATIONS HEREUNDER (OTHER THAN THE SURVIVING OBLIGATIONS), AND AS LIQUIDATED DAMAGES HEREUNDER, THE DEPOSIT (DEFINED IN SECTION 2.B), TO THE EXTENT MADE, SHALL BE PAID TO AND RETAINED BY SELLER AS LIQUIDATED DAMAGES. THE PARTIES ACKNOWLEDGE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF A DEFAULT BY BUYER WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY PLACING THEIR SIGNATURES OR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THE AMOUNT DESIGNATED AS LIQUIDATED DAMAGES IN THIS SECTION 9.A. HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS REASONABLE LIQUIDATED DAMAGES PURSUANT TO THE TERMS HEREOF CALIFORNIA CIVIL CLODE SECTIONS 1671 AND 1677 AND ANY RETENTION OF LIQUIDATED DAMAGES AS A RESULT THEROF SHALL CONSTITUTE SELLER'S ONLY AND EXCLUSIVE REMEDY AGAINST BUYER IN THE EVENT OF A DEFAULT ON THE PART OF BUYER. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES. ADDITIONALLY, BUYER AGREES THAT IF PURSUANT TO THE GRANT DEED THE PROPERTY REVERTS BACK TO SELLER AS A RESULT OF BUYER'S FAILURE TO SECURE A CERTIFICATE OF OCCUPANCY WITHIN ONE YEAR OF THE DATE OF TRANSFER OF THE PROPERTY, THE BUYER SHALL PAY TO SELLER AS LIQUIDATED DAMAGES ONE HALF OF THE PURCHASE PRICE. THE PROVISIONS OF THIS SECTION 9.A. SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT MERGE WITH THE GRANT DEED UPON TRANSFER OF THE PROPERTY.

SELLER'S INITIALS:	BUYER'S INITIALS:	

B. <u>Default or Breach by SELLER</u>. If SELLER materially defaults in the performance of its obligations hereunder or is otherwise in material breach of the terms hereof, such that BUYER is materially and adversely impacted, BUYER shall, at its election, have the right to:

- (1)Seek specific performance of SELLER's obligation to convey the Property to BUYER pursuant to this Agreement, and SELLER agrees that because of the unique nature of the Property, specific performance is an appropriate remedy for enforcement of SELLER's obligation to convey the Property to BUYER pursuant to the Agreement; provided, however, that in the event Buyer elects to sue Seller for specific performance of Seller's obligations under this Agreement; (i) Buyer must have reasonably demonstrated that it is prepared to deliver into Escrow all funds and documents required by this Agreement in order for the Closing to occur, and Buyer shall be ready and willing in all other respects to close Escrow in accordance with the terms and conditions of this Agreement; and (ii) Buyer must have filed a petition with the Superior Court of Kern County, seeking specific performance of Seller's obligations under this Agreement, within sixty (60) days after the scheduled Closing Date (as the same may be mutually extended by the parties).
- (2) Terminate this Agreement, upon which termination BUYER's remedy shall be the return of the Deposit and recovery of all out of pocket expenses incurred by BUYER in connection with this Agreement and BUYER's due diligence investigations relating to the Property and all other damages incurred by BUYER as the result of SELLER's default; and
- (3) Such other rights to BUYER by law or in equity. The provisions of this Section 9.B. shall survive the Close of Escrow or the termination of this Agreement.

#### C. Remedies.

- (1) SELLER'S Default. If SELLER defaults hereunder, or the Closing does not occur by reason of Seller's default hereunder which is not cured within ten (10) days after Seller's first have knowledge of such default, then Buyer shall be entitled to pursue its right to specifically enforce this Agreement or to terminate this Agreement. In the event Buyer terminates this Agreement, Seller, to the extent that any Deposit has been released, or Escrow Holder, to the extent any Deposit has not been released, shall immediately return said Deposit(s) to Buyer. Seller shall also pay for all out of pocket expenses incurred by Buyer in connection with this Agreement and Buyer's due diligence investigations relating to the Property and all other damages incurred by Buyer as a result of Seller's default. Except as otherwise provided, neither party will have any further obligations under this Agreement.
- (2) BUYER'S Default. BUYER AND SELLER AGREE THAT IN THE EVENT THE CLOSING FAILS TO OCCUR BECAUSE OF BUYER'S DEFAULT OR BREACH (NOT DUE TO SELLER'S WRONGFUL ACTS OR OMISSIONS OR SELLERS' BREACH) HEREUNDER, THE DAMAGES TO SELLER WOULD BE EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN, AND THAT THEREFORE THE DEPOSIT, TO THE EXTENT MADE AND RELEASED AND BECOME NON-REFUNDABLE, IS A REASONABLE ESTIMATE OF THE DAMAGES TO SELLERS, SUCH DAMAGES INCLUDING COSTS OF NEGOTIATING AND DRAFTING OF THIS AGREEMENT, COSTS OF COOPERATING IN SATISFYING CONDITIONS TO CLOSING, COSTS OF SEEKING ANOTHER BUYER UPON

BUYER'S DEFAULT, OPPORTUNITY COSTS IN KEEPING THE PROPERTY OUT OF THE MARKETPLACE, AND OTHER COSTS INCURRED IN CONNECTION HEREWITH. ACCORDINGLY, BUYER AGREES THAT UPON BUYER'S RECEIPT OF NOTICE OF SUCH DEFAULT OR BREACH FROM SELLER, WHICH NOTICE SHALL SPECIFY THE BREACH IN DETAIL, AND FAILURE BY BUYER TO CURE SAID BREACH, DEFAULT OR FAILURE TO PERFORM WITHIN TEN (10) DAYS AFTER RECEIPT OF SUCH NOTICE, AND CLOSING FAILS TO OCCUR BECAUSE OF SUCH BREACH OR DEFAULT, SELLERS' DAMAGES SHALL BE LIMITED TO THE DEPOSIT, TO THE EXTENT SAID DEPOSIT HAS BEEN MADE, RELEASED AND HAVE BECOME NON-REFUNDABLE, AS LIQUIDATED DAMAGES, AS SELLER'S SOLE REMEDY IN THE EVENT OF ANY SUCH MATERIAL BREACH OR DEFAULT BY BUYER HEREUNDER. THE PARTIES ACKNOWLEDGE THAT SELLER'S RETENTION OF LIQUIDATED DAMAGES AS CONTEMPLATED IN THIS SECTION 9 IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER UNDER CALIFORNIA CIVIL CODE SECTIONS 1671, 1676, AND 1677. THE FOREGOING IS NOT INTENDED TO LIMIT BUYER'S SURVIVING OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY OBLIGATIONS OF BUYER TO INDEMNIFY SELLERS OR WITH RESPECT TO ANY DEFAULT BY BUYER WHICH OCCURS FOLLOWING THE APPLICABLE CLOSING.

INITIALS OF BUYER:	INITIALS OF SELLERS: /	
INITIALS OF DUTER.	INITIALS OF SELLENS:	

(3)Arbitration of Disputes. EXCEPT AS PROVIDED BELOW, IF A DISPUTE ARISES OUT OF OR RELATES TO THIS AGREEMENT, UPON THE WRITTEN DEMAND OF EITHER PARTY, THE DISPUTE SHALL BE RESOLVED BY BINDING ARBITRATION IN ACCORDANCE WITH THE AMERICAN ARBITRATION ASSOCIATION'S COMMERCIAL ARBITRATION RULES EXCEPT THAT THE ARBITRATION SHALL BE CONDUCTED BY ONE (1) ARBITRATOR WHO IS A RETIRED JUDGE OR AN ATTORNEY WITH NOT LESS THAN FIFTEEN (15) YEARS' EXPERIENCE IN REAL ESTATE MATTERS. DISCOVERY SHALL BE ALLOWED AS PROVIDED IN CODE OF CIVIL PROCEDURE SECTION 1283.05, THE PROVISIONS OF WHICH ARE INCORPORATED BY REFERENCE. THE ARBITRATOR MAY ORDER SPECIFIC PERFORMANCE WHEN THAT REMEDY IS PROVIDED FOR IN THIS AGREEMENT. THE JUDGMENT UPON THE ARBITRATION AWARD SHALL BE FINAL AND BINDING UPON THE PARTIES AND MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. IF THE PARTIES DO NOT AGREE UPON AN ARBITRATOR WITHIN FIFTEEN (15) DAYS AFTER DELIVERY OF A WRITTEN DEMAND FOR ARBITRATION, THEN THE ARBITRATOR SHALL BE CHOSEN BY THE AMERICAN ARBITRATION ASSOCIATION. THE

ARBITRATOR SHALL ALLOCATE THE FEES AND COSTS OF ARBITRATION BETWEEN THE PARTIES AND SHALL AWARD COSTS, INCLUDING REASONABLE ATTORNEY'S FEES, TO EITHER PARTY. NOTHING CONTAINED IN THIS SECTION SHALL RESTRICT EACH PARTY FOR SEEKING EQUITABLE RELIEF FROM THE COURT SYSTEM PENDING RESOLUTION OF THE ARBITRATION.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY. WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

SELLER'S INITIALS:		BUYER'S INITIALS:	
	~		

D. <u>Jury Waiver</u>. BUYER and SELLER each waives the right to a jury in any litigation in connection with this Agreement, or the property, or the transactions contemplated by this Agreement. BUYER and SELLER each acknowledges that this waiver has been freely given after consultation by it with competent counsel. This section 9.D has been included only for the event that, despite the parties' intention, the agreement to utilize judicial reference or arbitration as provided above is held to be inapplicable, and nothing in this section 9.D is intended to qualify the parties' agreement to resolve all disputes via order of reference.

#### 14. NOTICE.

All notices required or permitted hereunder shall be in writing and shall be served on the parties at the following address:

If to BUYER:

K & D Estates 20025Waterford Huntington Beach, CA 92646 With a copy to:

If to SELLER:

City of California City William T. Weil Jr City Manager 21000 Hacienda Blvd. California City, CA 93505

With a copy to:

Jones & Mayer Christian Bettenhausen City Attorney 3777N. Harbor Blvd. Fullerton, CA 92835

Any notices required under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of service, if served personally on the person to whom notice is to be given, (ii) on the date of service if sent by telecopier with confirmation of successful transmission, provided the original is concurrently sent by first class mail, and provided that notices received by telecopier after 5:00 p.m. shall be deemed given on the next business day, (iii) on the next business day after deposit with a recognized overnight delivery service, or (iv) on the third day after mailing, if mailed to the party to whom notice is to be given by first class mail, registered or certified, and postage-prepaid.

#### 15. TIME OF ESSENCE.

Time is of the essence of this Agreement.

#### 16. GOVERNING LAW AND VENUE.

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to any choice of law principles. Venues for all court proceedings or alternative forms of dispute resolution proceedings shall be Kern County.

#### 17. COUNTERPARTS.

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

#### 18. CAPTIONS.

The captions/headings in this Agreement are inserted for convenience of reference and in no way define, describe, or limit the scope or intent of this Agreement or any of the provisions hereof.

#### 19. ASSIGNABILITY.

Buyer may not assign its rights, remedies and obligations under this Agreement, in whole or in part, without Seller's prior written consent, which may be withheld in Seller's sole discretion, except to an affiliate of Buyer. For purposes of this paragraph, an "affiliate" of Buyer is any corporation, partnership, joint venture, individual, business trust, real estate investment trust, or any other legal entity who directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with Buyer.

#### 20. BINDING EFFECT.

This Agreement shall be binding upon and inure to the benefit of both parties hereto and their respective successors and permitted assigns.

#### 21. MODIFICATIONS; WAIVER.

No waiver, modification, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by both parties.

#### 22. ENTIRE AGREEMENT.

This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby and all prior or contemporaneous agreements, understandings, representations or statements, oral or written, are superseded hereby.

#### 23. AMBIGUITIES.

This Agreement shall be interpreted as if it had been jointly drafted by both parties. Therefore, the normal rule of construction that ambiguities are construed against the drafter is waived.

#### 24. SEVERABILITY.

Any provision of this Agreement which is void, unenforceable or invalid or the inclusion of which would adversely affect the validity, legality or enforcement of this Agreement shall be of no effect, but all the remaining provisions of this Agreement shall remain in full force and effect.

#### 25. SUBMISSION OF AGREEMENT.

The submission of this Agreement by one party to the other or their agents or attorneys for review will not be deemed an offer to sell or purchase the Property, and no agreement with respect to the purchase and sale of the Property will exist unless and until this Agreement is executed and delivered by both SELLER and BUYER.

#### 26. REAL ESTATE REPORTING PERSON.

Escrow Holder is designated the "real estate reporting person" for purposes of Section 6045 of Title 16 of the United States Code and Treasury Regulation 1.6045-4 and any instructions or settlement statement prepared by Escrow Holder shall so provide. Upon the consummation of the transaction contemplated by this Agreement, Escrow Holder shall, after review and approval by SELLER (such approval not to be unreasonably withheld, conditioned or delayed), file a Form 1099 information return and send the statement to SELLER as required under the aforementioned statute and regulation.

#### 27. COMPUTATION OF TIME.

In computing any period of time pursuant to this Agreement, the day of the act or event from which the designated period of time begins to run will not be included, and the last day of the period so computed will be included, unless it is a Saturday, Sunday, or legal holiday recognized as such in California, in which event the period runs until the end of the next day which is not a Saturday, Sunday, or such legal holiday. As used in the Agreement, "business day" shall mean a day which is not a Saturday, Sunday, or legal holiday recognized as such in California.

#### 28. WAIVER.

No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, not shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

#### 29. NUMBER AND GENDER.

When required by the context of this Agreement, each number (singular and plural) shall include all numbers, and each gender shall include all genders.

#### 30. NEGOTIATED TERMS.

Each party has had the opportunity to be advised by legal counsel and other professionals in connection with this Agreement, and each party has obtained such advice as each party deems appropriate. The parties agree that the terms and conditions of this Agreement are the result of negotiations between the parties and that this Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or its professionals participated in the preparation of this Agreement.

#### 31. SIGNATURES.

Signatures and initials to this Agreement created by the signer by electronic means and/or transmitted by telecopy or other electronic transmission shall be valid and effective to bind the party so signing. Each party agrees to promptly deliver an executed original of this Agreement with its actual signature and initials to the other party, but a failure to do so shall not affect the enforceability of this Agreement, it being expressly agreed that each party to this Agreement shall be bound by its own electronically created and/or electronically transmitted signature and initials and shall accept the electronically created and/or electronically transmitted signature and initials of the other party to this Agreement.

#### 29. NO MERGER

BUYER and SELLER agree that this Agreement shall not merge with the Grant Deed upon transfer of the Property and the rights, duties, obligations, representation, and guarantees contained in this Agreement shall survive after the conveyance of the Property to BUYER.

#### 32. EXCLUSIVITY.

During the terms of this Agreement, SELLER shall not offer the Property or any interest therein for sale or lease to any other party, or negotiate, solicit, or entertain any offers.

## [Signatures to follow]

IN WITNESS WHEROF, the parties hereto have executed this Agreement as follows:

SELLER:	
Successor Agency of the Former Redevelopment Agency of the City California City	of
Name:	
Title:	
Date:	
ATTEST:	
Name:	
Name: City Clerk	
BUYER:	
K & D Estates Inc, a Limited Liab Corporation	lity
Name:	
Title:	
Date:	
ATTEST:	
Name:	
City Clerk	

#### EXHIBIT INDEX

Exhibit Reference Content

Exhibit A Legal Description of Real Property

Exhibit B Grant Deed

#### EXHIBIT INDEX

Exhibit Reference Content

Exhibit A Legal Description of Real Property

Exhibit B Grant Deed

# LEGAL DESCRIPTION PARCEL A

Parcel located in portions of the North half of Section 25, T. 32S, R. 37E, M.D.B.&M., in the City of California City, County of Kern, State of California, which is more particularly described as follows:

Commencing at the southeast corner of Tract No. 2305 recorded in Book 12, Page 16, also being the intersection of California City Blvd. and Hacienda Blvd; thence North 89°38'32" East a distance of 817.53 feet to a point along the north line of said Section 25.

Thence; Course 1. South 0°21'28" East a distance of 63 feet to a point on the north line of said parcel, said point also being the TRUE POINT OF BEGINNING:

"From the point of beginning:

Course 2. North 89°38'32" East parallel to the center line of California City Blvd a distance of 130.49 feet, to the beginning of a curve concave to the southwest, having a radius of 20 feet; thence southeasterly 31.43 feet along said curve through a central angle of 90°1'55", thence;

Course 3. South 0°19'33" East a distance of 136.99 feet parallel to the center line of Constitution Drive, thence;

Course 4. South 89°38'32" West a distance of 150.50 feet, thence;

Course 5. North 0°19'33" West a distance of 157.00 feet to the true point of beginning".

Contains: 23,543 SF  $\approx$  0.54 Acres more or less.

Expires 03/31/2018

End of Legal Description

	09/15/2016
Gerald F. Helt, RCE No. 28508	Date

# LEGAL DESCRIPTION PARCEL B

Parcel located in portions of the North half of Section 25, T. 32S, R. 37E, M.D.B.&M., in the City of California City, County of Kern, State of California, which is more particularly described as follows:

Commencing at the southeast corner of Tract No. 2305 recorded in Book 12, Page 16, also being the intersection of California City Blvd. and Hacienda Blvd; thence North 89°38'32" East a distance of 817.53 feet to a point along the north line of said Section 25.

Thence; Course 1. South 0°21'28" East a distance of 63 feet to a point on the north line of said parcel, said point also being the TRUE POINT OF BEGINNING:

"From the point of beginning:

Course 2. South 0°19'33 East a distance of 243.00 feet, thence;

Course 3. South 89°38'32 West a distance of 216.40 feet, thence;

Course 4. North 0°21'28" West a distance of 243.00 feet, thence;

Course 5. North 89°38'32" East a distance of 216.53 feet to the true point of beginning".

Contains:  $52,602 \text{ SF} \approx 1.21 \text{ Acres more or less.}$ 

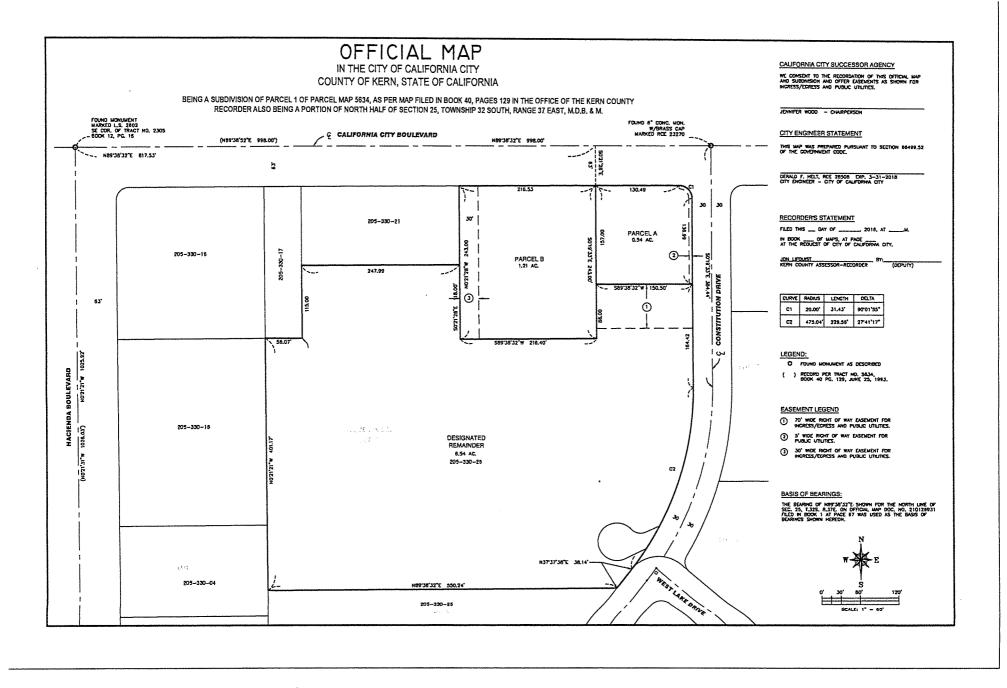
End of Legal Description

09/15/2016

Gerald F. Helt, RCE No. 28508

Date

Expires 03/31/2018



## **GRANT DEED**

## RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: California City 21000 Hacienda Blvd California City, CA 93505 Attn: City Clerk Space Above This Line Reserved for Recorder's Use APN: **GRANT DEED** FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency of the Former Redevelopment Agency of the City of California City, a public body politic, ("Grantor") hereby GRANTS to K & D Estates Inc, a Limited Liability Corporation ("Grantee"), the certain real property located in the City of California City, Count of Kern,, State of California, described in the legal description attached hereto as Exhibit "A," and incorporated herein by this reference. The Grant of Property, hereunder, is subject to the following condition: Grantee shall develop the Property as a fast food restaurant ("Project") pursuant to the terms of the Purchase and Sale Agreement, between the Grantor and Grantee, dated ("P&S Agreement") and pursuant to any terms and conditions of Project approval set forth by the City of California City; and if Grantee fails to secure a Certificate of Occupancy within one year of the date of this Grant Deed, then fee title to the Property shall revert back to the Grantor; and, in the event of reversion, Grantor shall refund to Grantee the a sum equal to one half of the Purchase Price without interest as set forth in the P&S Agreement. If legal proceedings are initiated to enforce the rights, duties or obligations of any of the covenants set forth in this Grant Deed, then the prevailing party in such proceeding shall be entitled to collect its reasonable attorney fees and costs from the other party in addition to any other damages or relief obtained in such proceedings. Dated: Successor Agency to the California City

Redevelopment Agency

By:\_\_\_\_\_

STATE OF CALIFORNIA	)				
COUNTY OF KERN	) ss. )				
On personally appeared	_, before me	e,		Notary	Public,
personally known to me (or proved whose name(s) is/are subscribed to executed the same in his/her/their are instrument the person(s) or the entity	the within in uthorized capa	nstrument and acknowledge icity(ies), and that by	wledged to me his/her/their si	that he/s gnature(s	she/they ) on the
I certify under PENALTY of forgoing paragraph is true and correct		under the laws of	the State of Ca	alifornia	that the
Witness my hand and official	seal.				
	Notary	y Public			-
[SEAL]					

## CALIFORNIA CITY SUCCESSOR AGENCY

November 8, 2016

TO: Mayor and City Council

**FROM:** Tom Weil -City Manager, Craig Platt -Public Works Director

SUBJECT: A Resolution of the California City Successor Agency to finalize and

record an Official Map in California City, Portion of North Half of Section 25, Township 32 South, Range 37 East, M.D.B. & M. to reflect the

subdivision of Parcel 1 of Parcel Map 5634.

......

## **BACKGROUND:**

The City of California City desires to finalize and record an Official Map to reflect the subdivision of Parcel 1 of Parcel Map 5634.

The office of the City Engineer prepared an Official Map in California City, Portion of the North Half of Section 25, Township 32 South, Range 37 East, M.D.B. & M. to reflect the above mentioned parcel subdivision.

#### **RECOMMENDATION:**

Motion to pass a resolution to finalize and record an Official Map in California City, Portion of the North Half of Section 25, Township 32 South, Range 37 East, M.D.B. & M. to reflect the subdivision of Parcel 1 of Parcel Map 5634.

FISCAL IMPACT: None

**ENVIRONMENTAL ACTION: None** 

SA NB 1 (B)

#### RESOLUTION NO.

A RESOLUTION OF THE CITY OF CALIFORNIA CITY SUCCESSOR AGENCY TO FINALIZE AND RECORD AN OFFICIAL MAP IN CALIFORNIA CITY, PORTION OF NORTH HALF OF SECTION 25, TOWNSHIP 32 SOUTH, RANGE 37 EAST, M.D.B. & M. TO REFLECT THE SUBDIVISION OF PARCEL 1 OF PARCEL MAP 5634.

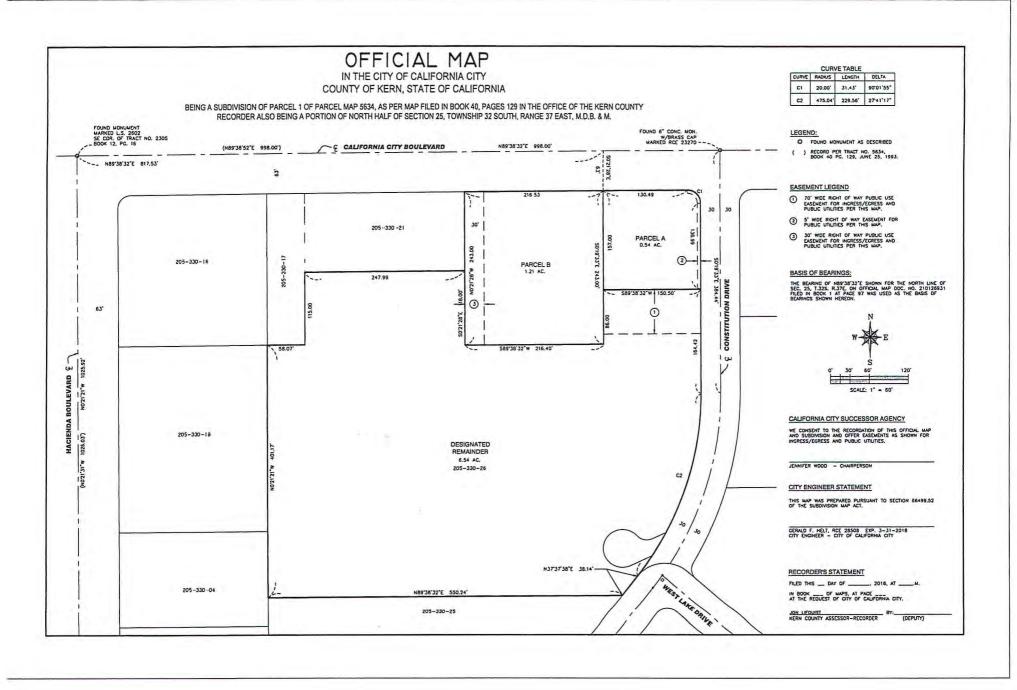
**WHEREAS**, the City of California City desires to finalize and record an Official Map in California City, Portion of the North Half of Section 25, Township 32 South, Range 37 East, M.D.B. & M. that reflects the subdivision of Parcel 1 of Parcel Map 5634.

**NOW, THEREFORE, BE IT RESOLVED THAT:** the City Council of the City of California City does hereby accept the finalized Official Map in California City, Portion of the North Half of Section 25, Township 32 South, Range 37 East, M.D.B. & M. and authorizes said map to be recorded in the Kern County Recorders Office.

PASSED, APPROVED AND ADOPTED this 8<sup>th</sup> day of November, 2016 by the following roll call vote:

AYES: NAYS: ABSTAIN: ABSENT:	
	Jennifer Wood, Chairperson
ATTEST:	
Denise Hilliker. City Clerk	,

STATE OF CALIFORNIA )
COUNTY OF KERN )
I, Denise Hilliker, City Clerk of the City of California City, California, hereby certify that the foregoing Resolution was made by the City of California City Successor Agency at the regular meeting of November 8, 2016 and was duly passed, approved and adopted by the following vote:
AYES: NAYS: ABSENT: ABSTAIN:
Danica Hillikar City Clark
Denise Hilliker, City Clerk (seal)



## CITY COUNCIL

November 8, 2016

TO: Mayor and City Council

FROM: Jeanie O'Laughlin, Finance Director

SUBJECT: Approval of Three-Year Professional Services Agreement With Price, Paige &

Company, Accountancy Corporation For Independent Audit Services In The

Amount of \$146,055.

## **BACKGROUND:**

On March 16, 2012, Moss, Levy & Hartzheim, LLP submitted a bid for professional auditing services for fiscal years ending June 30, 2012, 2013, and 2014 with optional years ending June 30, 2015 and 2016. June 30, 2015 audit was also performed by Moss, Levy, & Hartzheim. Moss, Levy & Hartzheim were awarded the contract based on the following:

- 1. Low Fee
- 2. Many years of experience performing local government audits
- 3. A field office located in nearby California City

After four (4) years of performing the city-wide audit, city staff recommended and council approved city staff's request to solicit bids for auditing services. On August 23, 2016, a total of four (4) request for proposals (RFP's) were mailed out to potential audit firms (See attached list). A total of 3 CPA audit firms responded to our RFP and are listed below:

- Mr. Fausto Hinojosa, CPA, CFE (3 year bid, \$146,055).
   Price Paige & Company (PP&C)
   677 Scott Avenue
   Clovis, CA 93612
- Mr. Anthony Bruneau, CPA (3 year bid, \$87,872).
   Cobb, Doerfler & Associates, CPA (CD&A)
   1039 West Avenue J
   Lancaster, CA 93534
- Mr. Scott Manno, CPA (3 year bid \$123,480)
   Rogers, Anderson, Malody & Scott, LLP (RAMS)
   735 E. Carnegie Drive, Suite 100
   San Bernardino, CA 92408



#### **EVALUATION OF PROPOSALS**

After receiving the RFP's for auditing services, city staff along with our mayor evaluated the RFP's and used the following criteria to make a recommendation to the city council for an auditor:

- 1. The proposal's responsiveness in clearly stating the understanding of the work to be performed.
- 2. The firms' technical support.
- 3. The audit team's experience and professional activities and independence.
- 4. The firm's size and structure.
- 5. The anticipated support requirements of City staff showing personnel class and hours expected.
- 6. Cost

## Audit Proposal Evaluation for Agency Wide Audit

## for fiscal years ending 6/30/2016 to 6/30/18

Firms:	PP&C	RAMS	CD&A
Factors:			
1)	48	28	12
2)	52	48	22
3)	68	70	27
4)	90	87	43
5)	95	95	30
6)	34	40	15
Total scores:	387	368	149

Based upon the scoring selected above, the audit selection group is recommending that the City Council approve a three (3) year auditing services agreement with Price, Paige & Company, Accountancy Corporation from Clovis, California. Listed below are the cost breakdown over the next three (3) years:

The annual fee for the audit of each fiscal year 2015/16, 2016/17 and 2017/18 follows:

City audit	<u>2015/16</u> \$ 38,475	<u>2016/17</u> \$38,475	2017/18 \$38,475
Single audit, if required	3,510	3,510	3,510
Prep of State Controllers report	4,200	4,200	4,200
GASB 68 Preparation	2,500	2,500	2,500
Total all-inclusive maximum price *	<u>\$48,685</u>	<u>\$48,685</u>	<u>\$48,685</u>

<sup>\*</sup> The above fees include only one major federal program. The fee for any additional major programs is \$2,950 per program. PP&C agreed to keep their fees flat for the three year period.

## **RECOMMENDATION:**

Approve three-Year professional services agreement with Price Paige & Company, Accountancy Corporation for independent audit services in the amount of \$146,055.

## **FISCAL IMPACT:**

In accordance with the proposal submitted by Price Paige & Company, Accountancy Corporation dated September 22,2016 the City of California City will be charged \$48,685 to perform the City's auditing functions and certain report generation. This expense will be booked against the Finance, and Treasurer audit fee line items; \$19,800 and \$5,000 respectively; a \$15,000 transfer from Public Works Admin, a \$5,000 transfer from the Successor Agency, and the balance from salary and benefit savings in Finance.

## **ENVIRONMENTAL ACTION:**

None.

## <u>ATTACHMENTS</u>:

- 1. Request for Proposal (RFP)
- 2. List of Four (4) Potential Audit Firms who received RFP's
- 3. List of reviewers
- 4. Comparison spreadsheet
- 5. Expenditure budgets for Finance, Treasurer and Public Works Admin
- 6. Proposal for Professional Auditing Services Price Paige & Company, Accountancy Corporation
- 7. Proposal for Professional Auditing Services Rogers, Anderson, Malody & Scott, LLP
- 8. Proposal for Professional Auditing Services Cobb, Doerfler & Associates, CPA



## ANNUAL INDEPENDENT AUDIT SERVICE FOR FISCAL YEARS 2015-16 THROUGH 2017-18

The City of California City invites proposals from qualified firms of certified public accountants to perform its Annual Independent Audit for the fiscal years ending June 30, 2016 through June 30, 2018 with the option to extend the engagement for a fourth and fifth year.

Detailed specifications explaining the scope of work are attached for your information. To be considered for these engagements, your firm must meet the qualifications and satisfy the requirements set forth in the RFP.

Five (5) copies of the proposal must be submitted to the City Clerk, City of California City, 21000 Hacienda Blvd., California City, CA 93505, no later than 3:00 PM, Friday, September 30, 2016. Fee information should be enclosed in a separate envelope.

## LATE PROPOSALS WILL NOT BE ACCEPTED

Each proposal shall specify completely each and every item as set forth in these specifications. Any and all exceptions to the original specifications must be clearly stated in the proposal and the failure to set forth any exception shall be grounds for rejection of the proposal.

The City of California City reserves the right to reject any and all proposals and to waive any informalities in any proposal and select the proposal that best meets the City's needs.

Sincerely,

Jason B. Williams, CPA

Interim Finance Director

## CITY OF CALIFORNIA CITY REQUEST FOR PROPOSAL FOR AUDIT SERVICES

## A. INTRODUCTION

The City of California City is requesting proposals from qualified firms of certified public accountants for audit services for the fiscal years ending June 30, 2016 through June 30, 2018, with the option of extending the engagement for an additional two years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the Government Auditing Standards as issued by the Comptroller General of the United States, the provisions of the federal Single Audit Act and the U.S. Office of Management and Budget (OMB) Circular A-133/2 CFR Part 200, subpart F, Audits of State and Local Governments.

Proposals will be accepted from parties that:

- 1. Are free of all obligations and interests that might conflict with the best interest of the City of California City.
- 2. Have the capacity to provide the services on a timely basis. The audit engagement must be completed and opinion issued by <u>January 31, 2017</u> and on December 1<sup>st</sup> of each contracted audit year thereafter.

The City of California City will not be liable for any costs incurred in preparing proposals or associated travel costs. The proposer shall furnish the City with such additional information as the City may reasonably require. The City reserves the right to conduct pre-contract negotiations with any or all potential proposers.

The proposals will be evaluated by City staff and an auditor recommendation will be made to the City Council of the City of California City. During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. The contract will begin when awarded by the City Council. The contract will begin upon award.

## B. DESCRIPTION OF THE GOVERNMENT

1. California City is a city incorporated in 1965 in the northern Antelope Valley in Kern County, California. The population was 14,120 at the 2010 census, up from 8,385 at the 2000 census.

California City has one landowners resort, one PGA golf course, one prison, and one municipal airport. Much of the workforce of Edwards Air Force Base, which is located just to the south of the city, is made up of city residents.

Other major sources of employment include California Department of Correction & Rehabilitation, Silver Saddle, Mojave Air and Space Port and its flight test operations, the new Hyundai/Kia Proving Grounds located to its southwest, and nearby cities such as Tehachapi, Ridgecrest, Boron, Mojave, Palmdale, and Lancaster.

California City is 65 miles (105 km) south west of Death Valley National Park.

## 2. FUND STRUCTURE

	Number of
	Individual
Fund Type/Account Group	<u>Funds</u>
General Fund	1
Special Revenue Funds	15
Debt Service Funds	1
Capital Projects Funds	7
Enterprise Funds	6
Successor Agency	1
Account Groups	2

## C. SCOPE OF AUDIT

The City desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles.

The City also desires the auditor to express an opinion on the fair presentation of its combining and individual fund statements and schedules in conformity with generally accepted accounting principles. The auditor is to provide an "in-relation to" report on the supporting schedules based on auditing procedures applied during the audit of general purpose financial statements and the combining and individual fund financial statements schedules.

The City also complies with the OMB (Office of Management and Budget) Circular A-133/2 CFR Part 200, subpart F, <u>Audit of State of Local Governments</u>, which requires an audit be made by an independent auditor in accordance with generally accepted government auditing standards covering financial and compliance audits. The audit must cover the entire operations of the City and must determine whether: (1) the financial statements present fairly its financial operations in accordance with GAAP, (2) the organization has internal accounting and other control systems to provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations and (3) the organization has complied with laws and regulations that may have material effect on its financial statements and on each major Federal Assistance program.

To meet the requirements of this Request for Proposal, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth by the Comptroller General of the United States <u>Government Auditing Standards</u>, the provisions of the Single Audit Act and the provisions of OMB Circular A-133/2 CFR Part 200, subpart F, Audits of State and Local Governments.

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.

A report on procedures applied to appropriations limit worksheets.

A report on compliance with requirements applicable to each major program, internal control over compliance and on the schedule of expenditures of federal awards in accordance with OMB Circular A-133/2 CFR Part 200, subpart F

Any other reports not stated herein but which may be required by the Comptroller General, of the Government Auditing Standards or U.S. Office of Management and Budget regarding single audits.

In the required report(s) on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls.

Management is not aware of any unusual circumstances warranting an extended scope beyond that called for above. If in due course of the examination and it is warranted, the auditor shall agree to provide the City with all ascertainable facts relative to such circumstances. An estimate of additional services required and the additional cost shall be provided, so contract modifications may be completed before additional you commence with such extended examination.

## C. AUDITING STANDARDS

The examination shall be made in accordance with generally accepted auditing standards as adopted by the membership of the AICPA (American Institute of Certified Public Accountants) and with the Single Audit Act, in accordance with OMB Circular A-133/2 CFR Part 200, subpart F.

## D. AUDIT ASSISTANCE

The Finance Department staff and responsible management personnel will be available during the audit to assist the auditors by providing information, documentation and explanations. The auditors will be expected to coordinate their services with the Finance Director and should endeavor to accomplish the audit on a phased basis throughout the year to reduce the year-end workload on the City's staff.

The auditors should be aware of and provide guidance (if necessary) in the proper implementation of new GASB pronouncements.

## E. DELIVERABLES

The independent auditing firm shall provide a photo ready electronic pdf version of the Audit Report to the Finance Department on or before December 1<sup>st</sup> of each year. Additionally the independent auditing firm shall provide electronic pdf versions of such documents as GANN, Management Letter and Single Audit.

## F. INFORMATION REQUESTED FROM THE PROPOSER

To achieve a uniform review process and obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified below:

## Title Page

Show the RFP subject, the name of the proposer firm, local address, telephone number, name of contact person and date.

## 2. Table of Contents

Clearly identify the material by section and page number.

## 3. Letter of Transmittal (limit of one or two pages)

- a. Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the time period.
- Give the names of the persons who will be authorized to make representations for the proposer, their titles, addresses and telephone numbers.

## 4. Profiles of the Proposer

- a. State whether the firm is national or international
- b. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors and other professional staff employed at the office.
- c. Describe the range of activities performed by the local office such as: audit, accounting, tax service or management services.
- d. Describe the local office's computer capability.
- e. Describe the firm's participation in the "peer review" program. Provide the date and extent of the local office's last participation.
- 5. Summary of Proposer's Qualifications (in addition to minimum qualifications).
  - a. Identify the partners, seniors, managers and supervisors who will work on the audit, including staff from other than the local office. Include the resumes for each supervisory person to be assigned to the audit. The resumes may be included as an appendix.
  - b. Describe recent auditing experience similar to the type of audit requested. Specifically, address experience related to the audit of:
    - 1. Municipalities complying with OMB Circular A-133/2 CFR Part 200, subpart F.
    - Federal and State Grant programs.
    - 3. Describe the engagement team experience and capabilities to assist government bond reporting requirements.
    - Describe the professional activities of your firm or of the staff members who support your commitment to governmental accounting.
    - 5. Describe any regulatory action taken against your firm or local office.
    - Give names, addresses and telephone numbers of five current and former municipal audit clients served by your local office within the past five years. Include the type of services performed, dates and length of service for each.

## Scope Section

- a. Clearly describe the scope of the required services to be provided. In addition to services included for the examination, specific reference must be made to the requirements of OMB Circular A-133/2 CFR Part 200, subpart F.
- b. The auditors shall familiarize themselves with and comply with the provision of any and all federal, state and county orders, statutes, ordinances, charters, bond covenants, administrative code and orders, rules and regulations that pertain to the work required in the engagement.

## 7. Audit Fees

The City requests that a statement of maximum cost be made for the annual audit as set for the audit scope. All other expenses, including typing, clerical and printing costs, should be included in the total audit fee. Unusually high or low fees may affect ratings. The proposal must be on a fixed fee basis inclusive of all expenses and allocated as follows:

		<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
a.	City of California City	Account of the Control of the Contro		<u> </u>
b.	Single Audit		-	
C.	Prep of State Controller's Report	t	4	

Percent Modification for Fourth Year, if Extended

Percent Modification for Fifth Year, if Extended

Include a schedule of hourly charges for principals and staff to be used as a basis for audit costs that are extra ordinary to the scope of the proposal.

The audit fee schedule must be submitted in a separate envelope. Only one copy is necessary.

## F. EVALUATION OF PROPOSALS

Proposals will be evaluated by City Staff to ascertain which proposer best meets the need of the City. Factors to be considered are:

- 1. The proposal's responsiveness in clearly stating the understanding of the work to be performed.
- 2. The firms' technical support.
- 3. The audit team's experience and professional activities and independence.
- The firm's size and structure.
- 5. The anticipated support requirements of City staff showing personnel class and hours expected.
- 6. Although a significant factor, the audit fee may not be the dominant factor. Cost will be a particularly important factor when all other evaluating criteria are relatively equal.

All proposals will be evaluated by first using the criteria of factors 1 through 5. After the top candidates have been selected using this criteria, a final decision will be made based upon the audit fee proposals. Oral interviews may be arranged anytime during the selection process to assist in making the final decision.

The City reserves the right to select a firm on any combination of price, experience in auditing governmental agencies, references and other features that are deemed to be in the best interests of the City. All factors will be considered in the selection process.

## G. ADDITIONAL INFORMATION AND CONTACT

- 1. The submission of a proposal shall be <u>prima face</u> evidence that the proposer has full knowledge of the scope, nature, quantity and quality of work to be performed.
- 2. The City will not be liable for any costs not included in the proposal and subsequent contracted-for costs.
- 3. The City reserves the right to conduct personal interviews of any or all proposers prior to selection.
- 4. The City reserves the right to reject any and all proposals, the right in its sole discretion to accept the proposal it considers most favorable to the

City's interest and the right to waive minor irregularities in the procedures.

- 5. The contracting firm shall make itself available to the City Council and management to answer questions related to audit findings.
- 6. Compensation for the conduct of audit service will be paid upon submission of progress billings and of a final billing, along with the required reports.
- The successful proposer will be required to sign the standard City Professional Services Agreement, including meeting the City's minimum insurance requirements.
- 8. City staff requests that, once proposals have been submitted, no unsolicited contact and/or discussions concerning these proposals be made prior to the evaluation of all proposals.
- 9. The total audit staffing should be at a level sufficient to complete the audit in the time scheduled and specified in the RFP. In addition, the audit staff should remain constant through each year's audit process. At least one staff member from the prior year's audit is to be a member of the subsequent year's audit team.

The contact person for additional information and requests will be:

Jason B. Williams, CPA
Interim Finance Director
City of California City
21000 Hacienda Blvd.
California City, CA 93505
accountant@californiacity-ca.gov
760-760-7483

Only proposals received in the City of California City, 21000 Hacienda Blvd, California City, CA 93505 by 3:00 p.m. bid opening date (September 26, 2016) will be considered.

## Audit FY15-16 to 17-18 RFPs mailed out to (on August 23, 2016):

- Mr. Fausto Hinojosa, CPA, CFE Price Paige & Company 677 Scott Avenue Clovis, CA 93612
- Mr. Scott Manno, CPA Rogers, Anderson, Malody & Scott, LLP 735 E. Carnegie Drive, Suite 100 San Bernardino, CA 92408
- Mr. Bryant L. Jolley, CPA (was sent an RFP, notified he was not interested at this time)
   901 N. Street, Suite 104
   Firebaugh, CA 93622
- Mr. Andrew Bruneau, CPA Cobb, Doerfler & Associates, CPA 1039 West Ave J Lancaster, CA, 93534

## List of Reviewers for California City Auditor

- 1. Mayor Jennifer Wood
- 2. City Treasurer Keith Middleton
- 3. City Manager Tom Weil
- 4. Finance Director Jeanie O'Laughlin
- 5. Interim Finance Director Jason Williams

	Α	В	Γ	С	Γ	D	<u> </u>	E	F	G	Н
1		Com	npa	rison of A	uo	lit Proposi	als		l		
2			[ <b>.</b>								
3	Description of Service	Audit year		PP&C		RAMS		CDA			
4		2015/16	l								
5	City Audit		\$	38,475		34,550		25,000			
6	Single Audit*			3,510		3,280		3,000			
	Preparation of State							<u> </u>			
7	Controller's Report			4,200		2,200		1,000			
8	GASB 68 Preparation			2,500		Incl		*	* Not men	tioned in pro	posal
9	Maximum Total Fees		\$	48,685	\$	40,030	\$	29,000			
			<u> </u>							1	
	First major program each										
10	additional program is		\$	2,950	\$	3,000		*	* Not me	ntioned in	proposal
11											
12	Description of Service	Audit year		PP&C		RAMS		CDA		,	
13		2016/17									
14	City Audit		\$	38,475		35,500		25,250			
15	Single Audit			3,510		3,360		3,030			
	Preparation of State										
16	Controller's Report			4,200		2,300		1,010			
17	GASB 68 Preparation			2,500		Incl		*	* Not men	tioned in pro	posal
18	Maximum Total Fees		\$	48,685	\$	41,160	\$	29,290			
19											
20	Description of Service	Audit year		PP&C		RAMS		CDA			
21		2017/18		**							
22	City Audit		\$	38,475		36,450		25,502			
23	Single Audit			3,510		3,440		3,060			
	Preparation of State										
	Controller's Report			4,200		2,400		1,020			
	GASB 68 Preparation			2,500		Incl		*	* Not men	tioned in pro	posal
26	Maximum Total Fees		\$	48,685	\$	42,290	\$	29,582			
27	** PP&C agreed to keep the rate	flat for 3rd year									
28											
29				PP&C		RAMS		CDA			
	Three-year totals		\$	146,055	\$	123,480	\$	87,872			
31											
	Description of Service	Rate		PP&C		RAMS	*************	CDA			
	Position										
	Partner		\$	240	\$	250					
	Manager		····	140		170					
	Supervisor					120					
	Senior			110		110			***************************************		
	Staff			90		85	\$	70			
	Support staff			70					***************************************		
40	Principals			ļ				100			

6		201 EXPENDITU	IFORNIA CITY 6-17 IRE BUDGET INANCE - 4141			, , , , , , , , , , , ,
COUNT.	GENERAL FUND - 10	ACTUAL EXPENDITURES 2013-14	ACTUAL EXPENDITURES 2014-15	ADOPTED BUDGET 2015-16	ESTIMATED EXPENDITURES 2015-16	PROPOSED BUDGET 2016-17
	Personnel Services					
110	Regular Salaries	35,452	66,805	123,916	119,075	436,93
112	Premium Overtime	0	5,942	0	6,500	6,00
120	Temporary/Part Time	1,240	17,654	0	4,600	
131	Medical Fees	80	305	0	0	
132	Medicare	414	1,363	1,797	1,888	6,33
133	Cafeteria Plan	9,190	18,167	29,070	33,050	102,00
134	Retirement	8,117	14,960	16,433	16,500	69,64
135	Unemployment Insurance	245	929	785	930	2,4
136	Workers Comp	228	1,078	1,088	1,125	4,5
	Total Personnel Services	54,967	127,203	173,089	183,668	627,9
	Operations and Maintenance					
210	Subscriptions/Books/Dues	0	486	600	577	86
230	Travel/Lodging/Reg.	252	6,963	7,900	7,900	3,0
241	Office Supplies	3,308	9,624	4,560	9,650	9,7
242	Admin Copy Expense	1,400	1,400	1,400	1,405	1,4
312	Audit Fees	24,059	10,073	19,425	23,790	19,8
330	Training	0	0	2,000	0	1,5
	Total Operations and Maintenance	29,019	28,546	35,885	43,322	36,3
	4141 DEPARTMENT TOTAL	83,986	155,749	208,974	226,990	664,2
	FY 2016-17 FUNDING SOURCES					
	General Fund Revenues				\$664,233	100%
	Total				\$664,233	100%

		201 EXPENDITU	IFORNIA CITY 6-17 RE BUDGET EASURER 4143			
OUNT	GENERAL FUND - 10	ACTUAL EXPENDITURES 2013-14	ACTUAL EXPENDITURES 2014-15	ADOPTED BUDGET 2015-16	ESTIMATED EXPENDITURES 2015-16	PROPOSED BUDGET 2016-17
	Personnel Services					
	Regular Salaries	2,400	2,182	2,400	2,400	2,40
	Medicare	35	29	35	35	3
25712	Retirement	0	87	150	151	15
141	PARS Administrative Fee	68	29	0	0	
	Total Personnel Services	2,503	2,327	2,585	2,586	2,58
	Operations and Maintenance					
	Subscription/Books/Dues	0	384	150	188	20
	Travel/Lodging/Reg.	0	2,255	2,540	2,975	2,17
241	Office Supplies	21	342	115	115	12
312	Audit Fees	5,313	2,211	4,200	5,255	5,00
	Total Operations and Maintenance	5,334	5,192	7,005	8,533	7,49
	Capital Outlay			> 1		
710	Laptop Computer/Software	o	o	1,800	0	
	Total Capital Outlay	0	0	1,800	0	
	4143 DEPARTMENT TOTAL	7,837	7,519	11,390	11,119	10,08
	FY 2016-17 FUNDING SOURCES					
	General Fund Revenues				\$10,081	100%
- 1	Total				\$10,081	100%



## CITY OF CALIFORNIA CITY BUDGET BOXES FY 2015-16

## FUND - 55 Public Works Admin - 5117

904	Transfers Out	
0	to Finance Salaries \$393,631	
0	to General Fund Office Supplies \$39,400	
0	to General Fund Admin Copy \$6,100	
	to General Fund Liability Insurance \$66,000	.,
830,424	to General Fund Telephone Land \$25,500	
0	to General Fund Garage \$225,396	
830,424	to General Audit Fees \$15,000	
	to General Fund Bank Fees \$12,000	
	to Airport Fund \$18,387	
	to Facilites & Grounds Fund \$29,010	
	0 0 0 830,424	to Finance Salaries \$393,631  to General Fund Office Supplies \$39,400  to General Fund Admin Copy \$6,100  to General Fund Liability Insurance \$66,000  to General Fund Telephone Land \$25,500  to General Fund Garage \$225,396  to General Audit Fees \$15,000  to General Fund Bank Fees \$12,000  to Airport Fund \$18,387

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# INVOICE

## City of California City

21000 Hacienda Blvd California City, CA 93505



Invoice No: 1001

Date: 11/4/2016

Customer ID: Successor Agency

California City Successor Agency 21000 Hacienda Blvd California City, CA 93505

Quantity	Description	Unit Price	Line Total
	Annual Audit Fees - Successor Agency Portion FY 15/16		\$5,000.00
	.9.1		
	9		
		Subtotal	\$ 5,000.00



The Place to Be

September 22, 2016

City of California City 21000 Hacienda Blvd California City, CA 93505

Re: Proposals for Professional Audit Services

Enclosed are one original and five copies of our proposal to provide professional audit services for the City of California City for the years ending June 30, 2016, 2017 and 2018. In addition, separately enclosed is our cost proposal.

We want to thank you for inviting our firm to once again offer our bid for these services. Please do not hesitate to contact us if we can answer any questions or provide you with any additional information.

Sincerely,

Carolyn (Howie) Howerton

Audit Administrative Assistant for

Fausto Hinojosa, CPA, CFE

**Enclosures** 

Via FedEx

677 Scott Avenue Clovis, CA 93612

tel 559.299.9540 fax 559.299.2344



The Place to Be

## **COST PROPOSAL**

September 22, 2016

City of California City 21000 Hacienda Blvd. California City, CA 93505

Re: Audit Fees

Price Paige & Company Accountancy Corporation is pleased to present our cost proposal to the City of California City for professional audit services for the fiscal years ending June 30, 2016, 2017 and 2018.

All of the requested fee information is based upon our current understanding of the work to be performed and we have given you "not-to-exceed" fees for the services. Our all-inclusive fee for fiscal year 2016 is \$48,685. Fees for each of the three years are detailed on the following schedules. Our fees typically reflect a 3% cost of living increase each year, beginning with the third engagement year 2017/18.

In the event disclosures in the audit indicate extraordinary circumstances, which warrant more extensive and detailed services, we will provide all pertinent facts relative to the extraordinary circumstances, together with the our fee basis for such additional services. This will be set forth in an addendum to the contract between the City of California City and our firm. All work will be performed at the same rates as set forth in the schedule of fees and expenses in this cost proposal.

I hereby certify that the undersigned is authorized to represent the firm stated above, and empowered to submit this bid and, if selected, authorized to sign a contract with the City of California City, for the services identified in the Request for Proposal.

Sincerely.

Fausto Hinojosa, CPA, CFE

Audit Principal

677 Scott Avenue Clovis, CA 93612

tel 559.299.9540 fax 559.299.2344

## **CITY OF CALIFORNIA CITY**

## **PROFESSIONAL AUDIT SERVICES**

## SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE FISCAL YEARS ENDING JUNE 30, 2015 THROUGH 2017

Description of Service	Staff Hours	2016/17	2017/18	2018/19
City Audit	285	38,475	38,475	39,629
Single Audit	26	3,510	3,510	3,620
Preparation of State Controller's Report	31	4,200	4,200	4,330
GASB 68 Preparation (Optional)	19	2,500	2,500	2,575
Maximum Total Fees		48,685	48,685	50,154

Our review of the City's most recent audited financial statements revealed that the City had only one major federal program. Accordingly, the above fees include only one major federal program. The fee for any additional major programs is \$2,950 per program.

Staff Level	Rates	
Partner	240	
Manager	140	
Senior	110	
Audit Staff	90	
Support Staff	70	

## PROPOSAL FOR AUDIT SERVICES

**FOR** 

**CITY OF CALIFORNIA CITY** 

FOR THE YEARS ENDING JUNE 30, 2016, 2017 AND 2018

> Submitted **September 22, 2016**

> > Ву

Fausto Hinojosa, CPA, CFE Price Paige & Company **Accountancy Corporation** 677 Scott Avenue Clovis, California 93612 Phone: 559-299-9540 Fax: 559-299-2344

Email: fausto@ppcpas.com Website: www.ppcpas.com License No: 66479

## **CITY OF CALIFORNIA CITY**

## PROPOSAL FOR AUDIT SERVICES FOR THE YEARS ENDING JUNE 30, 2016, 2017 AND 2018

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The Place to Be

September 22, 2016

City of California City 21000 Hacienda Blvd. California City, CA 93505

Attn: Auditor Selection Committee

It is our pleasure to present our proposal to provide auditing services to the City of California City (the "City") for the years ending June 30, 2016, 2017 and 2018, with the option to extend two subsequent years upon mutual agreement. When presented with viable alternatives, it isn't always easy for entities such as City to identify the accounting firm that can best meet their overall audit and accounting needs. Over the past twenty-five years we have developed significant expertise in governmental audit and accounting. Our knowledge of the governmental environment and operations, and more specifically city operations, allows us to develop more robust audit plans that we believe have improved the quality of our audits.

Our audit professionals are highly qualified and have extensive experience and expertise in governmental auditing and accounting. The firm has been a member of the AICPA Government Audit Quality Center for several years and all of our auditors take a minimum of 80 hours of continuing professional education every two years specifically related to the auditing and accounting services we provide. This commitment to learning yields a direct benefit to the clients we work with. Additionally, our firm has a well-earned reputation for ensuring the audit not only gets done right but, just as importantly, on time. We are committed to communicating effectively to ensure that your questions are addressed comprehensively. As demonstrated by our resumes and considerable involvement by the audit partner and managers, we know that our firm has the resources, knowledge and expertise to meet and service the needs of the City. We can assure you that we fully understand the work to be performed and we wish to emphasize our commitment to meeting or exceeding all of your expectations. Additional information about our firm's audit department and services we offer may be found on our website at <a href="https://www.ppcpas.com">www.ppcpas.com</a>.

I trust that this proposal will adequately summarize our approach to client service and identify those attributes that set our firm apart from others. We appreciate the opportunity to submit this proposal to serve you and would be pleased to furnish any additional information regarding our firm or answer any other specific questions or concerns you may have. I am the audit principal for our firm and I am authorized to make representations for the firm with regard to this proposal. I may be reached at (559) 299-9540 or via email at <a href="mailto:fausto@ppcpas.com">fausto@ppcpas.com</a>.

Sincerely,

Fausto Hinojosa, CPA, CFE

Audit Principal

Price Paige & Company

677 Scott Avenue Clovis, CA 93612

tel 559.299.9540 fax 559.299.2344

## FIRM HISTORY AND QUALIFICATIONS

Established in 1976 and located in Clovis, California, Price Paige & Company consists of three owners (principals), Fausto Hinojosa, Mitchell Buckley, and Robert F. Price, each of whom is a Certified Public Accountant. The principals of the firm have over 80 years of combined experience in public accounting. Our firm is comprised of fifteen CPAs and seven CPA candidates, as well as full and part-time accounting, bookkeeping and clerical staff: Over 50% of Price Paige & Company's practice is in auditing and attest services, primarily in the governmental and not-for-profit sectors. In addition, we provide services to many businesses in accounting, tax, and management consultation in all areas.

Price Paige & Company is recognized in the community and by our peers as experts in the areas of governmental and not-for-profit audit and accounting. Our proven commitment to excellence allows us to work with you in the most time and cost-effective manner possible. Our auditors are not seasonal; what we mean by this is that they are not "tax accountants" who perform audits in the "off-season". They are focused exclusively in providing audit services and they receive over 80 hours of continuing education every two years, specifically related to improving their audit skills. The experience of our team allows us to conduct very efficient and effective audits.

We currently provide audit or review services to more than 40 governmental agencies and approximately 35 not-for-profit organizations annually, many of which are federal single audits. The breadth and scope of single audits we have conducted is significant and we have experience auditing organizations with an excess of \$100 million dollars of federal funding.

It is our practice to assign a team of personnel from our firm to your account in order to provide the range of services you have requested. This team is generally kept abreast of any significant developments that arise through our normal association with you. The most important aspect of this approach is to provide continuity to the engagement. We understand that the audit process requires two-way communication and we accept our responsibility to listen and to deliver timely and effective solutions to the audit and accounting problems we encounter.

#### **Mandatory Qualifications**

The associates of Price Paige & Company are licensed Certified Public Accountants, certified by the California State Board of Accountancy (License # COR 3442). All team members assigned to the audit comply with the 80-hour continuing education requirements promulgated by Government Auditing Standards.

#### Independence

Our firm is independent with respect to the City of California City as defined by auditing standards generally accepted in the U.S. Government Accountability Office's Government Auditing Standards.

### **Conflict of Interest**

Our firm's established policy is that we do not submit proposals for audit services if there is a known conflict of interest with the potential client. There are no current or potential conflicts of interest with anyone within the City of California City.

#### **External Peer Review**

Our record of successful Peer Reviews and our Engagement Quality Control Review program serves as evidence of our commitment to meeting the standards of care and performance applicable to our audit practice and demonstrate the extra measures we take to ensure continued successful compliance with our client's expectations about our quality and competence.

Our peer review included a review of specific governmental engagements. For your consideration, a copy of our most recent Peer Review Report is presented as Exhibit 1 in this proposal. In addition, our firm was recently awarded the AICPA's Certificate of Recognition for demonstrating that we designed and complied with a system of quality control standards established by the AICPA (Exhibit 2).

Price Paige & Company has never had any disciplinary actions taken nor are any pending with the Federal or State regulatory bodies or professional organizations. In addition, we are pleased to affirm that we have never had an unresolved dispute related to accounting or auditing matters that resulted in disengagements. We work closely with our clients to develop solutions that are consistent with the accounting rules and auditing standards.

#### **We Conduct Peer Reviews**

In addition to having successful peer reviews, <u>Price Paige & Company also conducts peer reviews of other accounting firms</u>. Essentially, we "audit" other auditors to ensure auditing and accounting standards are being met. Being a peer reviewer requires us to understand the technical accounting rules, especially in a not-for-profit environment. We leverage our experience as technical peer reviewers in our audit engagements so that we can perform effective and efficient audits making it much easier on our clients.

### Proactive Rather than Reactive Approach to Client Service

A primary objective of our client engagements is to make positive contributions to our client's profitable operations, organizational efficiency and productivity. We work hard at anticipating problems and ensuring there are no surprises. We are creative and always present alternatives for your evaluation rather than insisting upon the "textbook solution". We use frequent meetings and our management recommendation letters as tools for communication with you.

We strive to maintain a continuous involvement with our clients rather than just an annual one. We ask clients to forward copies of their interim financial statements, we review minutes of meetings throughout the year, and we schedule meetings with clients outside of the normal "audit cycle" to stay abreast of changes that might impact the audit. We find this enables us to help our clients identify and solve problems on a timely basis and keeps us informed about their operations.

#### Approach to Communication and Expectations of Our Clients

In order to meet and exceed your expectations, we are diligent about maintaining open communication throughout the entire engagement. In our experience, this results in a more effective engagement. Our approach depends on the timely response and assistance of the City. This cooperation will further ensure our work is completed in an efficient and cost-effective manner.

#### **Smart Technologies**

We use sophisticated data analysis software (IDEA) that allows us to perform specific fraud detection tests on large amounts of data, in some cases, testing 100% of the transaction population. Some of the specific tests we perform include: duplicate payment tests; matching of employee and vendor addresses to identify potential conflicts; review of purchase orders to identify potential bid splitting. We believe that our creative use of this value-added software tool allows us to perform more effective audits and also gives our clients increased confidence in their financial reporting. We have successfully implemented this data analysis software and testing at Fresno Unified School District which is the fourth largest school district in the state with a budget in excess of \$800 million dollars.

All of our audit engagements are performed utilizing a paperless and digital approach. Our auditing software allows us to increase our efficiency and provide a streamlined workflow. Documents and files can easily be retrieved and forwarded to our clients without the need for copying.

#### **VALUE-ADDED SERVICES AND SUPPORT**

The role of auditors has evolved over time in response to client's needs. Our firm has made it a practice to be proactive with clients by providing value-added services, all of which are included as part of our audit engagement. Below are some of the value added benefits that we provide to our clients at **no additional charge**.

#### **Consultation on Accounting Matters**

We provide our clients with guidance on technical accounting matters. We encourage our clients to communicate with us regarding any technical accounting matter as it allows us to be proactive in the audit process. If the technical accounting questions are outside the scope of the audit or require significant research, we would communicate with management regarding the appropriate cost for their approval before proceeding with any additional services.

## **Client Training**

We believe it is important to give our clients access to a full range of information to help them stay abreast of current accounting developments and financial reporting issues. As part of our client service program, we will periodically hold client training seminars and summary courses geared towards providing our clients an understanding of relevant issues. Training sessions that have been offered included understanding and mitigating the risk of fraud, reading and understanding governmental and non-profit financial statements and understanding the impact of unrelated business taxable income activities.

We expect to offer additional client training sessions on some of the following topics in the future that have been requested by clients:

- Current and pending pronouncements (significant changes to accounting rules)
- Differences in grant accounting vs. GAAP accounting
- · Properly classifying deferred revenue and net asset restrictions
- Understanding and developing a system to allocate functional expenses
- Single audit rules in accordance with the new Uniform Guidance

We invite our clients and their boards to attend as a value-added service included in our audit engagements.

#### **Additional Services Provided**

In addition to financial statement audits, we also offer the following services to the not-for-profit sector: Internal Control Review, Forensic Accounting, Fraud Investigation, Agreed-Upon Procedures, Financial Statement Review and Financial Statement Compilations.

### **Additional Confirmations of Understanding**

We will provide to the City management letters providing reasonable counseling and guidelines with respect to more acceptable and effective methods of accounting.

We will retain working papers for seven years following the completion of the audit.

Price Paige & Company is an equal opportunity employer. All employees are treated on their merits, without regard to race, age, sex, marital status or other factor not applicable to their position. Employees are valued according to how well they perform their duties, and their ability and enthusiasm to maintain the Firm's standards of service.

Price Paige & Company maintains comprehensive General Liability Coverage, as well as Errors and Omissions Insurance with a limit of at least \$3,000,000. All required certificates of insurance will be provided to the City's finance director should our firm be the successful bidder.

## **SCOPE OF SERVICES**

As our experience indicates, we clearly understand the scope of services to be provided. You can be assured that we will design a specific service approach to ensure compliance with all applicable standards and ensure that the City receives high quality, efficient and effective service.

#### Standards to be Followed

The financial and compliance audits will be performed in accordance with the following auditing standards:

- Generally Accepted Auditing Standards (AICPA)
- Government Auditing Standards (U.S. Comptroller General)
- Provisions of the Single Audit Act Amendments of 1996 (Single Audit)
- OMB Uniform Guidance Title 2 U.S. Code of Federal Regulations Part 200
- · All other applicable federal, state and local laws and regulations

## Services to be Performed

The following services will be provided for the City for each year of our engagement:

- We will perform an audit of all of the funds of the City of California City and issue a report on the fair presentation of the City's annual financial statements in conformity with accounting principles generally accepted in the United States of America.
- 2. We will issue Single Audit reports on compliance with requirements that could have a direct and material effect on each major program and internal control over compliance in accordance with Title 2 U.S. Code of Federal Regulations Part 200 OMB Uniform Guidance. We will also provide an "inrelation-to" opinion on the Schedule of Expenditures of Federal Awards.
- We will perform and report on Agreed-Upon Procedures for the City's GANN Limit (Appropriations Limit).
- 4. We will prepare and file the Annual Financial Transactions Report and Streets Report for the City under the requirements of the California State Controller by the required deadlines.
- 5. Management Letters. We may provide management letters and assistance of a Manager/Supervisor to explain our findings, observations, opinions, comments and/or recommendations with regard to systems of internal control, accounting systems, compliance with laws, rules and regulations, or any other matters that may come to our attention.
- 6. We will prepare a written letter of communication to the audit committee which will include, 1) auditor's responsibility under generally accepted auditing standards, 2) significant accounting policies, 3) management judgments and accounting estimates, 4) significant audit adjustments, 5) disagreements with management, 6) management consultation with other accountants, and 7) difficulties encountered in performing the audit.
- 7. As an optional service, we can perform for the City all calculations required to be in compliance with GASB 68 requirements. This service includes the preparation of journal entries and the drafting of the required footnote disclosure.

## **AUDIT PLAN AND APPROACH**

## Planning and Interim Fieldwork

Our preliminary audit procedures will consist of the following:

- Communicate with the predecessor audit firm and review prior year work papers.
- Provide a list of all audit schedules to be prepared by the City.
- Provide a detailed audit plan for the City.
- Internal Controls:
  - Read the City's policy and procedure manuals to obtain a general understanding of internal control systems for all significant transaction classes, account balances, financial close process and financial statement preparation process. Perform necessary follow-up inquiries to obtain specific understanding of control procedures in place.
  - Perform walk-throughs of key controls to evaluate whether they are properly designed and have been placed in operation. Walk-through procedures include inquiries, inspection of documents, reperformance and observation.
  - Systems typically tested include: payroll; disbursements/accounts payable; revenues/receipts; capital asset additions/dispositions and depreciation; long-term debt; equity; general ledger closing process.
- Perform a computer control evaluation.
- Perform preliminary analytical review of account balances.
- Use sophisticated data analysis software (IDEA) to efficiently identify anomalies and unusual transactions for further review.
- Read minutes, contracts, grant agreements and investment policies to identify significant compliance requirements.
- Prepare risk-based tailored audit programs and a client assistance package.
- Make specific inquiries of management and other personnel regarding fraud.
- Perform tests of controls for significant accounting systems (sample sizes will vary based on assessed risks).
- Perform tests of compliance with laws and regulations (sample sizes will vary based on assessed risks).

#### Fieldwork - Year-End

Based on the results of our planning and risk assessment procedures, we will focus our audit efforts in those areas where the risk of material error or fraud is greatest. Our approach is to identify the most effective and efficient procedures based on inherent and control risk. These procedures may include any of the following for the various account balances and transaction cycles:

- Analytical procedures: if used as the principal substantive test of a significant financial statement assertion, we will document –
  - the expectation and the factors considered in its development.
  - the results of the comparison between the expectation and recorded amounts.
  - any additional procedures performed in response to significant unexpected differences and the results of those procedures.
- · Tests of details -
  - Test significant journal entries for propriety and authorization.
  - Vouch significant operating, capital and debt service expenditures to source documents.

- Vouch asset balances to detailed records and schedules.
- Test individual debt transactions for propriety and proper presentation and disclosure in the financial statements.
- Perform compliance tests related to grant restrictions.
- Confirm balances with third parties, including banks and/or other lenders.
- Trace cash receipts to supporting documents including bank statements.
- Test both the methodology and the accounting for indirect cost allocations.
- Respond to specific fraud risks identified with further substantive tests of details or analytical procedures.
- Perform observation procedures for significant fixed asset additions.
- Perform a search for unrecorded liabilities.
- Propose adjusting journal entries as necessary and provide to finance director.

#### Reporting

During the reporting phase, we will:

- Perform and document final analytical procedures on the financial statements.
- Draft financial statements and supplemental schedules in accordance with GAAP and review with finance director.
- Prepare independent auditor's report and other reports required by Government Auditing Standards and OMB Uniform Guidance 2 CFR 200 Subpart F.
- Obtain required representations from management and legal counsel.
- Prepare independent auditor's reports and other reports required by Government Auditing Standards.
- Discuss internal control and program compliance observations and recommendations.
- Conduct exit conference with the finance director to review financial statements and review findings.
- Resolve all outstanding issues.
- Issue the financial statements and auditor's reports by January 31, 2017 (December 1 each year thereafter).

#### REFERENCES

After evaluating our relevant experience, we are certain you will agree that Price Paige and Company is qualified to serve you. We have been successfully performing audit engagements since 1976. Since then, we have continued to build on our reputation as a well-respected firm throughout the State of California, with the qualifications and experience necessary to provide unequaled performance. Following is a list of some of our audit clients and our primary contact for each:

Reference Name: City of Los Banos Contact: Sonya Williams, Finance Director Address: 520 J Street, Los Banos, CA 93635

Phone: (209) 827-7000

Service Provided: CAFR Audit (Single Audit/Uniform Guidance)

Dates: June 30, 2014 through present

Reference Name: City of Madera

Contact: Tim Przybyla, CPA, Director of Financial Services

Address: 205 West 4th Street, Madera, CA 93637

Phone: (559) 661-5454

Service Provided: Financial Statement Audit (Single Audit/Uniform Guidance)

Dates: June 30, 2013 through present

Reference Name: City of Lemoore

Contact: Heather Corder, Finance Director Address: 118 Fox Street, Lemoore, CA 93245

Phone: (559) 924-6707

Service Provided: CAFR Audit (Single Audit/Uniform Guidance)

Dates: June 30, 2013 through present

Reference Name: City of Kingsburg Contact: Maggie Moreno, Finance Director

Address: 1401 Draper Street, Kingsburg, CA 93631

Phone: (559) 897-5821

Service Provided: Financial Statement Audit (Single Audit/Uniform Guidance)

Dates: June 30, 2012 through present

Reference Name: City of Chowchilla

Contact: Rod Pruett, CPA, Finance Director

Address: 130 South Second Street, Chowchilla, CA 93610

Phone: (559) 665-8615

Service Provided: Financial Statement Audit (Single Audit/Uniform Guidance)

Dates: June 30, 2009 through present

Additional governmental clients for whom we have been performing audits, not listed above, include: City of Avenal, City of Corcoran, City of Farmersville, City of Mendota, City of Parlier, City of Ripon, County of Alpine, and County of Lassen.

## SUMMARY OF THE AUDITORS' QUALIFICATIONS AND EXPERIENCE

We have an outstanding team of professionals who have established themselves as qualified competent individuals. We can assure you that each of our auditors is experienced in governmental auditing, GASB accounting pronouncements and Single Audit requirements. Following is a brief overview of their experience. Detailed experience for each of these professionals can be found on pages 10 through 13 of this proposal.

	Years of Auditing/Accounting <u>Experience</u>
Principal: Fausto Hinojosa, CPA, CFE	25
Manager: Joshua Giosa, CPA	9
Senior: Luis Perez, CPA Kristi Miller, CPA	9 15

Each of these professionals has been the lead auditor/accountant for various governmental, not-for-profit and consulting engagements. They have commendable work ethics and principles, as well as outstanding skills and abilities. Should any of the above members of our audit team become unavailable, we would provide another equally-qualified individual from our firm.

In addition to the above-listed professionals, we have other audit staff with several years of governmental audit and accounting experience who may be assigned to your audit.

#### Continuity of Professional Staff and Succession Planning

Continuity of staff on engagements is as important to us as it is to our clients. Continuity promotes a thorough understanding of your needs and goals, and helps us help you. A smooth auditor transition will be accomplished as follows:

- Communication We stress transparent communication from the very beginning of the engagement through the audit report delivery. We schedule a planning meeting with your staff to determine expectations, timing, and extent and availability of assistance. We provide a comprehensive PBC list for both interim and year-end fieldwork which includes due dates and responsible parties.
- Experience Members of our engagement team are experienced auditors, very familiar with the
  operational, administrative, and accounting and compliance issues related to the municipal sector and
  the federal single audit in particular.
- Quality The firm maintains a rigorous quality control review process that includes not only a detailed review by a quality control manager and engagement partner but also an Engagement Quality Control Review (EQCR) as defined by AICPA standards.
- Audit Approach Our audit approach emphasizes effective up-front planning to identify issues for timely resolution.

### **Auditor Training**

All team members assigned to the audit comply with the **80-hour** continuing education requirements promulgated by *Government Auditing Standards*. Additionally, all auditors have already received specific training related implementing the new provisions of the recent *OMB Uniform Guidance 2 CFR Part 200*.

#### **FAUSTO HINOJOSA**

Certified Public Accountant Certified Fraud Examiner California License # 66479

Fausto is the Partner in charge of all audit and forensic consulting engagements for Price Paige & Company. His practice is limited to governmental and not-for-profit audit and accounting, fraud investigation and consulting, and litigation support services. Fausto serves as the Managing Partner for the Firm and is responsible for providing strategic leadership. He has worked professionally in the accounting field since graduating from California State University, Fresno in 1990. He became a Certified Public Accountant in 1994 and a shareholder with Price Paige & Company in 1997. He is a Certified Fraud Examiner and has investigated numerous allegations of fraud and has been designated a fraud expert in various legal proceedings.

After more than twenty-four years in the profession, Fausto has developed significant expertise specifically in the areas of audit risk assessment, governmental and not-for-profit auditing, fraud detection and prevention, federal/state grant compliance, and internal controls.

Fausto is the former Chair of the local Government Accounting and Auditing Committee for the California Society of CPA's and currently serves on the state committee. In addition, Fausto is a reviewer for the Government Finance Officers Association "Certificate of Achievement for Excellence in Financial Reporting" program. As the former Chair for the State Board of Accountancy Qualifications Committee, Fausto conducted audit workpaper reviews of CPA candidates in order to make licensure recommendations to the District.

Fausto is a former Adjunct Professor at Fresno Pacific University where he taught an upper division auditing course. He is a frequent lecturer to the California Society of CPA's and other professional organizations, business and civic groups on governmental and not-for-profit accounting and auditing, preventative fraud measures, and the unique audit requirements for federal award programs under the Single Audit Act.

## Professional Organizations and Community Involvement

State Board of Accountancy Qualifications Committee – Past Chair
Fresno Chapter of California Society of CPA's – Past President
Association of Certified Fraud Examiners – Member
American Institute of Certified Public Accountants – Member
Government Accounting and Auditing Committee of the Fresno Chapter – Past Chair
State Government Accounting and Auditing Committee the California Society of CPA's – Member
Government Finance Officers Association – CAFR Reviewer
Fresno Regional Foundation – Past Audit Committee Chair

#### **Continuing Education**

Continuing professional education courses and seminars recently attended include: GASB's New Defined Benefit Pension Standards-An Overview; The New Pension Accounting & It's Impact on Pension Funding; 2013 AICPA Guides for State & Local Governments, Non-Profit, YB/Circular A-133 Audits; Testing & Documenting IC Over Compliance in a Single Audit: Getting it Right; Governmental & Non-Profit Fraud; Governmental Pension Plans & Internal Control Guidelines for Governmental Entities; The OMB Cost Principles and Their Relevance to Your Single Audits; Governmental Audit Quality Center - Annual Webcast Update; Overview of the A-133 Audit; and GASB Standards and Application.

#### **JOSHUA GIOSA**

Certified Public Accountant California License # 119801

#### **Present Position**

Manager

## **Education and Experience**

Joshua began his accounting career at Price Paige & Company in January 2007 after graduating from California State University, Fresno. In June 2005, he received a Bachelor of Science in Business Administration with an option in Accountancy and became a Certified Public Accountant in 2013.

Joshua serves as the audit manager for most of the firm's municipalities and has performed and overseen substantial grant compliance work on both federal and state programs. Although his government auditing background dates back to 2007, since 2011 he has worked almost exclusively planning, performing, reviewing and compiling financial statements for municipalities. He has conducted several Single Audits and has prepared numerous municipality State Controller reports. Joshua has extensive knowledge in the implementation of GASB 68. He recently conducted a GASB 68 training course for firm personnel and has also trained and assisted numerous finance directors on GASB 68 implementation and financial statement presentation. His background also includes significant experience auditing not-for-profit entities and 401(k) pension plans. He has expertise in the use of IDEA data analysis software and has used this software to conduct fraud detection procedures as a part of the many municipal audits he supervises.

## **Community and Affiliations**

Joshua is a member of the American Institute of Certified Public Accountants, the California Society of CPAs and the Government Finance Officers Association. He is currently serving on the Board of Directors as the Treasurer for Big Brothers Big Sisters of Central California, North Fresno Rotary Endowment, and Bullard Youth Softball League. He was formerly on the Board of Directors as the Treasurer for Fresno's Rotary Storyland/Playland. Joshua is also an active member of the North Fresno Rotary Club.

### **Continuing Education**

Joshua is in compliance with the continuing education requirements of the AlCPA and Government Auditing Standards. Recently attended courses include: Avoiding Problems in Conducting Single Audits; Financial Statement, Tax and Government Fraud; Interpreting the Yellow Book; Intermediate Governmental Accounting; The GASB's Pension Standards Parts II: Considerations for Agent Plans and Participating Employers; Putting to Rest Governmental "Urban Legends"; and the Continued Complexities of Auditing Governmental Pension Plans and Participating Employees.

#### **LUIS PEREZ**

Certified Public Accountant California License # 123419

#### **Present Position**

Senior

#### **Education and Experience**

Luis began his accounting career in 2006 after receiving a Bachelor of Science in Business Administration with an emphasis in Accounting from California State University, Fresno in 2006.

Prior to joining Price Paige & Company, Luis served as an Accounting Director and Fiscal Manager for two local not-for-profit organizations in Fresno. His duties included cash management, monthly financial closings, financial reporting, account reconciliation and analysis. In addition, he prepared forecasts and projections on annual budgets and cash flows; he was also entrusted with the supervision of fiscal management.

Luis has overseen the examination of financial records and has compiled financial statements in accordance with GAAP. Since joining our audit team he has been the in-charge auditor for various audit projects for governmental, not-for-profit, and commercial organizations which are performed in accordance with GAAP and the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and OMB Uniform Guidance 2 CFR 200 Subpart F. For the past two years, Luis has served as the In-Charge Auditor for the County of Alpine and the County of Lassen.

### **Community and Affiliations**

Luis is a member of the American Institute of Certified Public Accountants, the California Society of CPAs and the Government Finance Officers Association.

#### Continuing Education

Luis is maintaining continuing professional education requirements to meet current standards of the Government Accountability Office of the United States of America. Continuing professional education courses and seminars recently attended include: Professional Conduct and Ethics: Anticipating and Preventing and Ethical Crisis; Not-for-Profit Organizations: Accounting and Auditing Principles, GASB 68 and 71: New Pension Standards; Documentation Requirements, Design and Reviewing; Audit Documentation and Workpaper Review; Audit Workpapers: Fieldwork Standards; Cash Flows (FASB AC 230): Audit Sampling: Accounting and Auditing with Excel; and Preparing a CAFR.

#### KRISTI MILLER

Certified Public Accountant California License # 97876

#### **Present Position**

Senior

#### **Education and Experience**

Kristi began her career at Price Paige & Company while a student at California State University Fresno and graduated in December 2000 with a Bachelor of Science in Accounting. She became a Certified Public Accountant in 2007 and in 2014 Kristi received her Masters of Science in Taxation from Golden Gate University.

During her time at Price Paige & Company, Kristi has been the supervising auditor for numerous governmental audits and single audits. She has planned, performed and supervised numerous audit engagements and has served as the in-charge auditor in numerous cities and special districts. Kristi's experience includes analysis and testing of internal controls and compliance under Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and OMB Uniform Guidance 2 CFR 200 Subpart F, and preparation of financial statements that comply with Yellow Book and required GASB standards. She has extensive experience in preparing various annual financial transaction reports required by the State Controller's Office for both municipalities and special districts.

#### **Community and Affiliations**

Kristi is a member of the American Institute of Certified Public Accountants and the California Society of CPAs. She has served as a Director on the Board of the Fresno Chapter of the California Society of CPAs.

#### **Continuing Education**

Kristi is in compliance with the continuing education requirements of the AICPA and Government Auditing Standards. Recently attended courses include: Perfecting Analytical Procedures; OMB Single Audit Guidance; Audit Workpapers: Fieldwork Standards; Audit Quality: What the Regulators Want to See; SMART Tools: Risk Assessment; GASB 54: Fund Balance Reporting in Governmental Funds; Understanding the FASB's New Standard on Leases; Audit Sampling: A Comprehensive Guide to Effective and Efficient Sampling in Tests of Details and Tests of Controls; Performing Effective and Efficient Single Audits; and Identifying and Correcting the Most Common Audit Inefficiencies.

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## **EXHIBIT 1**

#### PEER REVIEW REPORT

# McGilloway, Ray, Brown & Kaufman

Accountants & Consultants

2511 Garden Road, Suite A180 Monterey, CA 93940-5301 831-373-3337 Fax 831-373-3437

379 West Market Street Salinas, CA 93901 831-424-2737 Fax 831-424-7936

System Review Report

July 31, 2015

To the Partners of Price, Paige & Company A C and the Peer Review Committee of the California Society of CPAs.

We have reviewed the system of quality control for the accounting and auditing practice of Price, Paige & Company A C in effect for the year ended April 30, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under Government Auditing Standards and an audit of an employee benefit plan.

In our opinion, the system of quality control for the accounting and auditing practice of Price, Paige & Company A C in effect for the year ended April 30, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Price, Paige & Company A C has received a peer review rating of pass.

Mcgalaway, Roy, Brown & Kaufman

McGilloway, Ray, Brown & Kaufman

Daniel M. McGilloway, Jr., CPA, CVA, Gerald C. Ray, CPA, Clyde W. Brown, CPA, Patricia M. Kaufman, CPA, Larry W. Rollins, CPA THIS PAGE IS LEFT BLANK INTENTIONALLY.

## **EXHIBIT 2**

## AICPA CERTIFICATE OF RECOGNITION



# American Institute of Certified Public Accountants

Private Companies Practice Section (PCPS) is proud to present this

Certificate of Recognition to

# Price Paige & Company AC

For demonstrating that your firm designed and complied with a system of the quality control standards established by the AICPA during the period 05/01/2014 to 04/30/2015.



Joel C. Olbricht, CPA, CGMA, Chair PCPS Executive Committee THIS PAGE IS LEFT BLANK INTENTIONALLY.

#### **EXHIBIT 3**

#### AICPA GOVERNMENT AUDIT QUALITY CENTER MEMBERSHIP

#### What is the Center and why was it established?

The Governmental Audit Quality Center is a firm-based voluntary membership center for firms that perform governmental audits, including all audits and attestation engagements performed under *Government Auditing Standards and OMB Circular A-133* of federal, state, or local governments; not-for-profit organizations (NPO); and certain for-profit organizations that receive federal assistance. These audits are sometimes referred collectively as "governmental audits."

The AICPA established the Center to help CPAs perform quality audits by providing resources and guidance to help them navigate the increased complexity of the federal rules and regulations underlying governmental auditing.

#### How does the Center benefit you as the client?

As a member of the Governmental Audit Quality Center, our CPA firm has made a commitment to adhere to Center membership requirements that are designed to introduce additional quality control features to our practice.

As a Center member, we receive comprehensive resources to assist us in performing governmental and not-for-profit audits. We receive up-to-date information on a variety of technical, legislative and regulatory subjects that we then apply to your governmental audit to help ensure that you are in compliance with the appropriate standards and changes in regulation. These resources help us respond nimbly to new standards and requirements to ensure the efficiency of your audit engagement.

In addition, the Center provides us with an opportunity to network and exchange information with others within the governmental auditing community via an Online Member Discussion Forum, conferences, and Web events so that we can continue to learn and enhance our approach to our governmental audit engagements. We can then leverage these practices we learn in our audit methodologies to help perform the highest quality audits possible.

How does Center membership impact the audit team that is conducting your organization's audit? Our firm is committed to ensuring that our audit personnel are well trained to deliver governmental audit services and we adhere to the continuing professional education requirements of Government Auditing Standards. Further, our Center membership dictates that we establish and document our policies and procedures to ensure compliance with applicable professional standards, rules, and regulations for governmental audits. We believe this translates into a highly competent team of auditors who are knowledgeable in the unique requirements of quality governmental auditing and helps ensure that you receive the most efficient quality audit possible.

#### What are the quality requirements of the Center?

In addition to the resources and information on current regulations and standards affecting audits, the Center requires our firm to adhere to significant membership requirements including designating a partner to be responsible for the quality of our governmental and not-for-profit audit practice, meeting quality control standards and establishing annual internal inspection procedures. This inspection includes a review of our firm's governmental and not-for-profit audit practice by individuals with specific knowledge of governmental and not-for-profit audits and standards. The review must be made available to our firm's peer reviewer, who conducts a review and evaluation of our firm's auditing and accounting functions so we can meet state licensing, federal regulatory and/or AICPA membership requirements. In addition, we must make our peer review findings publicly available.

## **Proposal for Professional Auditing Services**

For the fiscal years ending June 30, 2016, 2017, and 2018 (With the option to renew for two additional fiscal years)

#### PREPARED BY:

# ROGERS, ANDERSON, MALODY & SCOTT, LLP CERTIFIED PUBLIC ACCOUNTANTS

735 E. Carnegie Drive, Suite 100 San Bernardino, California 92408 (909) 889-0871

CONTACT: SCOTT MANNO, PARTNER smanno@ramscpa.net

ALTERNATE CONTACT: TERRY SHEA, PARTNER tshea@ramscpa.net

September 26, 2016



ROGERS, ANDERSON, MALODY & SCOTT, LLP CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

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#### ROGERS, ANDERSON, MALODY & SCOTT, LLP CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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MEMBERS
American Institute of
Certified Public Accountants

PCPS The AICPA Alliance for CPA Firms

Governmental Audit Quality Center

California Society of Certified Public Accountants September 26, 2016

City of California 21000 Hacienda Blvd California City, CA 93505

I am pleased to respond, on behalf of Rogers, Anderson, Malody & Scott, LLP, (RAMS) to your request for proposals regarding professional auditing services. Our goal for the past 67 years has been to provide honest, accurate, objective results to all of our clients, including not-for-profit organizations such as yours. Our success in this effort is witnessed by both the growth of our firm and the list of long-term clients who trust us.

At RAMS, we are committed to achieving the highest quality audit possible. We understand the complexity of performing governmental audits and that's why we have a dedicated team of auditors that possess the specialized knowledge and experience to help ensure compliance and changes in regulations that may impact your audit. We plan and execute our audits in a way that maximizes audit efficiency and quality and provides you the highest quality services.

We are aware that the City has other proposals to consider. We believe that RAMS would be the appropriate choice for the audit engagement for the following reasons, which are provided in more detail in our proposal. Our firm:

- Has an established reputation in the governmental and not-for-profit accounting and auditing community for providing excellent, timely service and high quality reporting to our clients.
- Provides auditing services to over 50 governmental entities and notfor-profit organizations, including over 20 cities, most of which have enterprise activities.
- Understands the audit process, as a whole, can be a stressful experience for you and your staff; we understand that you will have other commitments and your regular workloads during the audit period. We make every effort to ensure the audit process, from the interim field work to the preparation of the required financial reports, will be as trouble-free as possible for you and your staff. We accomplish this through comprehensive planning of the audit and utilizing our staff in the most efficient and effective manner.

- Has audit team members that are personable and easy to work with. Through open and
  responsive communication with all parties involved in the audit process, we work to have
  the most efficient audit possible by minimizing operational distractions of your staff, while
  maximizing quality service and products.
- Provides extensive training and continuing education to all of our audit staff through a
  combined use of in-house instruction and third-party providers. Our audit team members
  are experienced with and receive regular training in performing Single Audits in
  accordance with Federal OMB Circulars A-21 and A-133.
- Is committed to helping you meet all reporting/auditing deadlines, resolving any issues
  encountered during your audit (e.g., accounting or auditing, new pronouncements, etc.),
  and providing you with quality audit services.
- Has an extensive quality control review process to ensure your financial reports meet the highest standards. In addition to the preparation of financial reports by the engagement team and review by the engagement manager, each report is also examined by 2 partners and 2 professional proofreaders.
- Has assisted many of our clients with the preparation of their Comprehensive Annual Financial Reports, and all of our clients that have submitted their reports for the Government Finance Officers Association (GFOA) or California Society of Municipal Finance Officers (CSMFO) awards have received the awards. Our participation as a GFOA reviewer also indirectly benefits our clients in the quality review process.
- Is a full service firm, with specialists in auditing, reviews and compilations, tax planning
  and preparation, as well as business consulting. The diverse experience and accessibility
  of the professionals in these areas help us to provide a comprehensive approach to a wide
  variety of needs.
- Believes that our fee estimate and arrangement provides a fair and reasonable cost, commensurate with the experience of the audit team members, to perform the annual audit services for the City.

We understand the scope of the work to be performed, auditing standards to be followed, and the reports to be issued, as described in the City's *Request for Proposal*. We also are committed to performing the required work within agreed upon time frames.

Mr. Shea (license #45615) and Mr. Manno (license #80428), partners', are authorized to represent the firm, are empowered to submit the bid and authorized to sign a contract with the City. The firm is properly licensed in the State of California. We can be reached at: 735 E. Carnegie Drive, Suite 100, San Bernardino, CA 92408, (909) 889-0871, tshe@ramscpa.net or smanno@ramscpa.net. Please contact us if you have any questions regarding this proposal.

Thank you for the opportunity to present our proposal qualifications and to serve as independent auditors to the City of California City. We look forward to having a long and mutually beneficial relationship with the City.

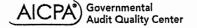
Respectfully yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP

Scott W. Manno, CPA, CGMA

MWL

Partner



PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Profile of the proposer

## About our firm

Rogers, Anderson, Malody & Scott, LLP is a local firm and was founded in 1948 and located at 735 E. Carnegie Drive, Suite 100, San Bernardino, California. We are one of the oldest CPA firms in Southern California, with over 67 years of public practice experience, specializing in governmental agency and not-for-profit organization auditing, accounting and management advisory services. Over *fifteen thousand hours per year* are devoted to this area of our practice, which includes cities, redevelopment agencies, water districts, other special districts, not-for-profit corporations and joint power authorities.

Our firm has a total staff of thirty-one people, which includes sixteen certified public accountants. The staff consists of six partners, one manager, ten supervisors/senior accountants, ten staff accountants and four support staff. The audit staff consists of twenty members who devote over 80% of their time to municipal/not-for-profit engagements.

The engagement team assigned to the City's engagement will consist of the following full-time staff: two audit partners, one audit director, one audit senior and three staff auditors. All personnel are located in our San Bernardino office. We will be dedicated to completing the engagement in a timely fashion and will assign any additional resources, as needed, to meet any agreed upon timeliness.

We understand that organizations desire that its auditors have a thorough understanding of the complex accounting and compliance issues confronting entities such as yours. Our firm has a long history of governmental/not-for-profit accounting and auditing. Over the years, we have gained valuable experience, acquired in-depth knowledge, and obtained the technical expertise needed for governmental/not-for-profit accounting and auditing.

Our firm is committed to providing our clients with the highest quality service at the most reasonable fee. The professionals assigned to the City's financial audit have each made providing quality service their priority.

No mention of local office's comp. capabily

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## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Profile of the proposer (continued)

## Housing Authority and Successor Agency experience

For the fiscal years ended June 30, 2014 and 2015 the firm audited the following Housing Authorities and Successor Agencies for the following Cities:

City of Capitola
City of Chino
City of Fillmore
City of El Cajon
Town of Yucca Valley
City of Redondo Beach
City of Sierra Madre
City of Moorpark

City of San Juan Capistrano

City of La Verne
City of San Jacinto
City of Twentynine Palms
City of La Mesa
City of Rosemead

City of Mission Viejo

The firm also performed the Due Diligence Reviews Agreed-Upon Procedures for fourteen Successor Agencies.

## CAFR preparation

We have extensive experience in the preparation of Comprehensive Annual Financial Reports (CAFR). For the fiscal year ended June 30, 2014, our staff prepared over 15 CAFR's, and each entity received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. For the fiscal year ended June 30, 2015, again, our staff prepared over 15 CAFR's for our clients for their submittal to the GFOA. In addition, we have helped many cities and special districts develop their first year's report for submittal. The audit partner on the engagement is also a technical reviewer for the GFOA CAFR award program.

## Governmental Audit Quality Center

As a member of the American Institute of CPAs Governmental Audit Quality Center, we are committed to adhering to the highest quality standards by voluntarily agreeing to the Center membership requirements, which include designating a partner responsible for the quality of our governmental and not-for-profit audit practice, establishing quality control programs, performing annual internal inspection procedures, and making our peer review report findings publicly available. At RAMS, our goal is to continue to enhance our quality initiatives within our governmental and not-for-profit audit practice to deliver the highest quality audit services possible.

In addition, the Governmental Audit Quality Center provides access to comprehensive resources that will assist us in further enhancing the quality of your audit. The Center membership will provide us timely information on a variety of technical, legislative and regulatory subjects that we can in turn apply to your audit to help ensure compliance with the appropriate standards and changes in regulations.

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## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Profile of the proposer (continued)

Our team of auditor specialists stays current in this highly technical practice area by adhering to the continuing professional education requirements of *Government Auditing Standards* and attending various continuing education programs including the annual AICPA National Governmental Accounting and Auditing Update Conference, the AICPA National Not-for-Profit Industry Conference, the Governmental Audit Quality Center Annual Webcast Update and other relevant seminars and by reviewing monthly publications from the American AICPA, the GFOA, and various other resources.

## Range of services

Our firm provides various other services in addition to auditing services to governmental and not-for-profit entities, including:

- · Finance director and accounting support services
- · Study and evaluation of financial condition and fiscal policies
- Transient Occupancy Tax Agreed Upon Procedures
- · Financial projections
- Franchise (refuse, cable) Agreed Upon Procedures
- Accounting policies and procedures
- · Cost control and cost allocation plans
- · Capital improvement program procedures and policies
- Cash management studies
- Financing and public bond offering assistance
- Franchise agreement assistance (ambulance, cable, television, refuse, etc.)

In addition, the firm provides accounting, auditing attest and consulting services to the profit and not-for-profit entities. We also provide tax preparation and tax consulting services to individuals, corporations, and partnerships.

## Quality control

We have an extensive quality control review process to ensure your audit meets the highest standards. In addition to the preparation of financial reports by the engagement team and review by the engagement manager, each report is also examined by the engagement partner and the technical review partner, and is proofread by two professional staff. Our firm is a member of the AICPA's Governmental Audit Quality Center (GAQC) and the AICPA's Private Company Practice Section (PCPS). We perform an in-house peer review over our audit and attest engagements annually, and receive an independent external peer review every three years.

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## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Profile of the proposer (continued)

## External quality control examinations

As a member of the AICPA Private Companies Practice Section, our firm has participated in "Peer Review" since 1993 and has been examined every three years since that date. Throughout our participation in this program, the firm has received unqualified opinions from the peer reviewers. A copy of our most recent external quality control review dated May 31, 2012 for the year ended November 30, 2011 (Attachment A) is attached. The latest review included reviews of specific governmental and not-for-profit entities.

The firm is not aware of any federal or state desk reviews or field reviews of its audits during the last three years.

The firm *has never* had any disciplinary action taken or pending against it with state regulatory bodies or professional organizations, nor has it ever had any pending or settled litigation, civil or criminal investigations. Our firm does not have a record of substandard work.

## Computer technology in the audit

Our firm has adopted a paperless audit approach. Using our engagement software, all audit team members are linked to each other using a local router which enables them to share information at an almost real-time speed. In addition, once your trial balances and financial statements are entered into our software, we are able to observe your statements in the field allowing us to notice any variances and address them at your office. With this in mind, we would prefer all audit information in an electronic format, particularly trail balances and general ledgers. If electronic formatting is not available, all audit teams have portable scanners and printers while on location during fieldwork. In addition, we can access our accounting and auditing resources through either a wireless or wired internet connection. We link the CAFR schedules directly to our audit software trail balances, and as a result, we can provide the City with fund financial statements almost immediately after importing the trail balances. Additionally, journal entries are easy to post to the CAFR schedules and the risk of data entry error is minimized. We can provide the City with our audited trail balances which show the coding of the CAFR schedules for ease of review for City staff. These reports show each account coded to a specific CAFR line item as well as journal entries posted during the audit.



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## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Profile of the proposer (continued)

## Independence

Rogers, Anderson, Malody & Scott, LLP is independent of the City of California City, as defined by general standard number two of the generally accepted auditing standards.

We are also independent of the City of California City, as defined by the second general standard for government auditing in the U.S. Government Accountability Office's *Government Auditing Standards* (2011).

## License to practice in California

Rogers, Anderson, Malody & Scott, LLP is licensed to practice in the State of California. The key professional staff, which includes the partners, managers, and supervisors, are all certified public accountants licensed to practice in the State of California.



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## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Summary of proposer qualifications

The quality of service you receive is dependent on the capabilities of the individuals assigned to the engagement and the manner in which those personnel resources are organized to efficiently focus their abilities on providing you with the requested audit services.

Our engagement team will provide significant experience coupled with an extensive, practical understanding of governmental and not-for-profit accounting and auditing. These professionals are highly trained and knowledgeable and have a thorough understanding of the environment in which governmental and not-for-profit entities operate. Our firm and all assigned professionals have extensive experience in auditing cities, both larger and smaller than yours.

## Partner and supervisory staff involvement

All partners and supervisory staff are working professionals and are actively and continually involved in all aspects of their engagements. We believe that partner and supervisory staff involvement in all areas of the audit is a key aspect of the overall audit process. This involvement includes being on-site for interim and year-end fieldwork, thus; facilitating a proper, efficient and effective audit, with minimal disruption of your staff. In addition, the time spent on-site by the partners and supervisory staff ensures they gain an understanding of the entire organization's accounting processes and procedures. This understanding will enable them to evaluate and develop opportunities for efficiency as well as offer practical and functional advice for improving your accounting processes and procedures.

Continuity of audit staff is a principal concern with our firm. Therefore, we plan to provide staff continuity from year to year, which is in the best interest of the organization and our firm. Continuity ensures an orderly, efficient, and less disruptive audit experience. Since we cannot guarantee staff will remain with us, principal supervisory and management staff, including engagement partners, managers, other supervisory staff, and specialists, may be changed if those personnel leave the firm or are promoted. However, the City reserves the right to accept or reject replacements.

In summary, we want to emphasize the credentials of the above professionals who will be directly responsible for the quality of service that you will receive. Additionally, our audit team has another attribute that is very important, even though it is intangible -- the professionals assigned to the audits have previously worked together as a multi-disciplined team, thus ensuring a smooth, efficient and effective audit. We are committed to allocating the necessary resources to ensure that we provide continuity of personnel throughout the term of our relationship with the City.



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## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Summary of proposer qualifications (continued)

## Continuing professional education

All professionals at our firm participate in continuing professional education (CPE) programs, which are sponsored by various organizations including the Government Finance Officers Association, the American Institute of Certified Public Accountants, the California State Society of Certified Public Accountants, the California Society of Municipal Finance Officers and the City of Government Accountants. Participation in these programs helps us to ensure that our clients are serviced with the best trained and most proficient government and not-for-profit auditors and accountants available. In addition, we provide in-house training taught by our partners and senior level staff using published resources.

In accordance with our firm's Quality Control document and Government Auditing Standards (GAS), all staff members who work on audits subject to GAS are required to complete CPE in accordance with GAS standards.

## Assigned personnel

It is our goal to provide the City with capable, competent, and personable individuals who offer an extensive background, not only in governmental and not-for-profit accounting and auditing, but also in general business practices. We offer practical solutions, as well as provide technical support. This enables you to stay at the forefront of governmental and not-for-profit accounting and provides you with the support you need in dealing with the complex issues confronting entities such as yours.

In addition, our engagement team has the managerial and supervisory experience to provide the City with a comprehensive audit of the highest quality, while still focusing on personal service. The resumes of the key engagement personnel assigned to the audit are presented near the end of this proposal. The following individuals will be assigned to the engagement for the entire contract period:

## Scott Manno, CPA, CGMA - Engagement Partner

Mr. Scott Manno, CPA, CGMA is a municipal audit partner with the firm and will be the engagement partner. He is licensed to practice as a certified public accountant in the State of California. Mr. Manno has been in public accounting for 20 years serving local governments such as yours. As the engagement partner, he will be responsible for overall engagement quality, as well as ensuring that the engagement is performed in the most effective and efficient manner. He will review all work-papers prepared during the engagement, in addition to all required reports.

Mr. Manno has assisted the following cities in their endeavors to obtain the CSMFO and/or GFOA awards for outstanding financial reporting: Town of Yucca Valley, Elsinore Valley Municipal Water District, Rincon del Diablo Municipal Water District, City of Lake Elsinore, City of Ontario, the Ventura Regional Sanitation District, the City of Norco, Big Bear Area Regional Wastewater Authority, Western Municipal Water District, Vista Irrigation District, Helix Water District and the City of Twentynine Palms.



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## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Summary of proposer qualifications (continued)

Currently, Mr. Manno serves as a technical reviewer for the GFOA CAFR Award program and from 1997 to 2000 he served as a technical reviewer under the CSMFO award program. Since 2010, Mr. Manno has been serving as a technical volunteer on the California Special Districts Association Audit Committee and is now a member of the Associations fiscal committee providing accounting and fiscal program guidance.

In addition, he is part of the California State Society of Certified Public Accountants Governmental Accounting and Auditing Committee which meets periodically to discuss current events, pronouncements, etc. including the upcoming implementation of GASB 68.

## Terry Shea, CPA - Quality Control Partner

Mr. Terry Shea, CPA, will be the quality control partner. He is licensed to practice as a certified public accountant in the State of California. Mr. Shea has been in public accounting for 34 years serving local governments such as yours. As the quality control partner, he will be responsible for engagement quality and will review all required reports.

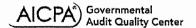
Mr. Shea has assisted the following cities in their endeavors to obtain the CSMFO and/or GFOA awards for outstanding financial reporting: City of Goleta, City of Mission Viejo, City of Norco, City of Redondo Beach, the Ventura Regional Sanitary District and the City of Twentynine Palms. He currently serves as the Contract Finance Director for one Riverside County city and one Los Angeles County city.

With such a vast and varied experience Mr. Shea has the technical knowledge to provide unparalleled technical support to the City and, if needed, the engagement team. In addition, Mr. Shea has extensive experience in bond reporting requirements.

## Brad A. Welebir, CPA, CGMA, MBA - Concurring Partner

Mr. Brad A. Welebir, CPA, is a Partner with the firm. He is licensed to practice as a certified public accountant in the State of California. Mr. Welebir has over eleven years of public accounting experience. He has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various nonprofit organizations. He will be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all work-papers prepared for the engagement. As the concurring partner, Brad will work directly with Scott in planning and performing the engagement. In addition, he will provide technical consultation for the engagement team.

Mr. Welebir currently serves as a technical reviewer under the GFOA award program. He has recently assisted the following entities in their endeavors to obtain the CSMFO and/or GFOA awards for outstanding financial reporting: City of San Juan Capistrano, City of Mission Viejo, City of San Marcos, City of Poway, City of La Verne, City of Redondo Beach, Western Municipal Water District, Big Bear Area Regional Wastewater Agency, and Vista Irrigation District.



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## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Summary of proposer qualifications (continued)

## Charles De Simoni, CPA - Manager

Mr. Charles De Simoni, CPA, is a manager with the firm. He is licensed to practice as a certified public accountant in the State of California. Mr. De Simoni has over five years of public accounting experience. He has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various nonprofit organizations. He will be responsible for planning the audit, supervising the audit and any staff assigned to the engagement, and will review all work-papers prepared during the engagement in addition to all required reports.

## Nathan Statham, CPA, MBA - Supervisor

Mr. Nathan Statham, CPA, MBA, is a supervisor with the firm. He is licensed to practice as a certified public accountant in the State of California. Mr. Statham has over three years of public accounting experience. He has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various nonprofit organizations. He will be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all work-papers prepared for the engagement. In addition, he will also be responsible for the preparation of any required reports.

## Bond reporting experience

As part of our compliance auditing, we will review any official statements and determine whether there are any reporting requirements. We are familiar with these requirements and the requirements for reporting on EMMA. We would be willing to assist the City in any way to ensure there are no SEC issues.

## Commitment to government accounting

All partners and managers and seniors are members of the California Society of Municipal Finance Officers and the Government Finance Officers Association. In addition, the firm has members on the Government Accounting and Auditing Committee of the California Society of Certified Public Accountants.

Mr. Manno is a member of the California Special District association and currently sits on its audit committee as well as its fiscal committee. Also, he is a reviewer for the GFOA CAFR program, reviewing CAFR's from out of state to determine whether they are to be awarded the GFOA Certificate of Outstanding Achievement in Financial Reporting.

Mr. Shea is a past president of the Inland Empire chapter for the CSMFO. We are active in the local chapters as well.

## Regulatory action

The firm *has never* had any disciplinary or regulatory action taken or pending against it with state regulatory bodies or professional organizations, nor has it ever had any pending or settled litigation, civil or criminal investigations. Our firm does not have a record of substandard work.



## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Summary of proposer qualifications (continued)

## Single audit experience

Most of our city clients, and some of our other governmental and not-for-profit clients, have been subject to an audit in accordance with OMB Circular A-133. We also have experience in auditing American Recovery and Reinvestment Act (ARRA) grants. We recently performed single audits for the following entities.

City of Capitola City of Chino City of Poway City of San Marcos City of Fillmore City of Rosemead

City of San Juan Capistrano

City of La Verne

City of La Mesa City of Mission Vieio City of Redondo Beach City of Twentynine Palms

University Enterprises Corporation at CSUSB

Western Municipal Water District

City of San Bernardino City of Lemon Grove

## References

1. Entity:

Scope of work:

Date:

Engagement partner:

Contact person:

CITY OF LA MESA

Financial Audit/Single Audit/CAFR\*/Successor Agency

Year ending June 30, 2011 through 2016

Mr. Terry Shea

Ms. Sarah Waller-Bullock, Finance Director, (619) 667-1125

2. Entity:

Scope of work:

Date:

Engagement partner:

Contact person:

CITY OF EL CAJON

Financial Audit/CAFR\*/Successor Agency/Single Audit

Years ending June 30, 2008 through 2016

Mr. Scott Manno/Terry Shea

Ms. Holly Reed-Falk, Finance Manager, (619) 441-1763

Entity:

Scope of work:

Date:

Engagement partner:

Contact person:

CITY OF LA VERNE

Financial Audit/RDA/Successor Agency/Single Audit

Years ending June 30, 2012 through 2016

Mr. Terry Shea

Mr. Richard Martinez, Finance Officer, (909) 596-8726

4. Entity:

Scope of work:

Date:

Engagement partner:

Contact person:

CITY OF REDONDO BEACH

Financial Audit/Single Audit/CAFR\*/Successor Agency

Years ending June 30, 2012 through 2016

Mr. Terry Shea

Mr. Craig Koehler, Finance Director, (310) 937-6629

Entity:

Scope of work:

Date:

Engagement partner:

Contact person:

CITY OF FILLMORE

Financial Audit/Successor Agency

Years ending June 30, 2009 through 2016

Mr. Scott Manno

Mr. Stacey Steffensen, Assistant Finance Director,

(805) 524-1500, ext. 128

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PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Scope of services

## Scope of services

Our understanding of the services to be provided is as follows:

We will perform a financial audit of the City of California City and any component units for the years ending June 30, 2016, 2017 and 2018 (with the option for each of the next two subsequent fiscal years). Our audits will be performed in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards (2011)*, issued by the Comptroller General of the United States, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards (Uniform Guidance)*, *Audits of State and Local Governments and Non-Profit Organizations*, Article XIIIB of the California Constitution – Appropriations Limit and any other applicable federal, state, local or programmatic audit requirements.

We will express an opinion on the fair presentation of the City's basic financial statements in conformity with accounting principles generally accepted in the United States of America. Management's Discussion and Analysis and any other required supplementary information presented are not a part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We will have applied certain limited procedures, which will have consisted of principally of inquiries of management. However, we will not have audited the information and will express no opinion on it. Any combining statements presented are also not a required part of the basic financial statements but will be presented for additional analysis. The combining statements will be subjected to the auditing procedures applied in the audit of the basic financial statements and we will provide an "in-relation-to" report on the City's those statements.

We will not be responsible for auditing the schedule of federal financial assistance, but will provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the basic financial statements. Our reports will satisfy all requirements of the Uniform Guidance.

We will issue the reports on the fair presentation of the basic financial statements for the City of California City. If applicable, we will also issue a Single Audit Report and a report on the City's compliance with Article XIIIB of the California State Constitution and a report to the City's audit committee, if applicable

We will issue the above reports in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, issued by the Comptroller General of the United States, the provisions of Uniform Guidance, *Audits of State and Local Governments and Non-Profit Organizations*, Article XIIIB of the California Constitution — Appropriations Limit, and any other applicable federal, state, local or programmatic audit requirements.

We will issue a report based on our understanding of the City's internal control over financial reporting and our assessment of risk. In this report, we shall communicate any reportable conditions found during our audit and indicate whether they are also material weaknesses.

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### PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

## Resumes of key engagement personnel



## Scott W. Manno, CPA, CGMA Engagement Partner

Professional experience

Mr. Manno began his career with Thomas, Bigbie and Smith in 1995. He spent six years with the firm primarily working on audits of municipalities, special districts and redevelopment agencies as well as various nonprofit organizations. He joined Rogers, Anderson, Malody & Scott, LLP in July 2001. Currently, Mr. Manno serves as a technical reviewer for the GFOA CAFR Award program. Since 2010, Mr. Manno has been serving as a technical volunteer on the California Special Districts Association Audit Committee and is now a member of the Association's fiscal committee providing accounting and fiscal program guidance. Also, Mr. Manno recently did a presentation on fraud at a state conference.

In addition, he is part of the California State Society of Certified Public Accountants Governmental Accounting and Auditing Committee which meets periodically to discuss current events, pronouncements, etc., including the upcoming implementation of GASB 68.

#### Education/licenses

Bachelor of Science degree from California State University, San Bernardino Certified Public Accountant – State of California Chartered Global Management Accountant – American Institute of Certified Public Accountants

#### Related professional experience

Partial listing of governmental agencies recently served (\*includes enterprise fund accounting):

City of El Cajon*	City of Sierra Madre*	City of Blythe*	City of Fillmore*
City of Twentynine Palms	City of San Jacinto*	City of Rosemead	Town of Yucca Valley
City of Chino*	City of Ontario*	City of Moorpark*	City of Lake Elsinore*
City of San Bernardino*	City of Capitola*	City of Loma Linda*	City of La Verne

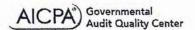
Mr. Manno has completed approximately 132 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

- Association of Certified Fraud Examiners, How to Detect and Prevent Financial Statement Fraud
- American Institute of Certified Public Accountants, Governmental Accounting and Reporting

#### Professional affiliations

Mr. Manno is a member of the following organizations:

- American Institute of Certified Public Accountants (AICPA)
- ♦ California Society of Certified Public Accountants (CalCPA)
- Association of Certified Fraud Examiners (ACFE)
- Association of Government Accountants (AGA)
- Government Finance Officers Association (GFOA)
- California Special Districts Association (CSDA)
- California Society of Municipal Finance Officers (CSMFO)



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## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

## Resumes of key engagement personnel (continued)



Terry P. Shea, CPA Quality Control Partner

Professional experience

Mr. Shea began his career with Thomas, Byrne and Smith in 1981. He spent five years with the firm primarily working on audits of municipalities, special districts, redevelopment and other governmental agencies. He joined Rogers, Anderson, Malody & Scott, LLP in 1987 where he has completed governmental audits including municipalities and provided financial consulting services for various cities.

## Education/licenses

Bachelor of Arts degree from California State University, Fullerton Certified Public Accountant – State of California

Related professional experience

Partial listing of governmental entities served (\*includes enterprise fund accounting):

City of La Mesa\* City of Loma Linda\* City of Riverside\* City of El Cajon\* City of Grand Terrace\* City of Palm Desert City of San Jacinto\* City of Indian Wells City of Twentynine Palms City of San Bernardino\* City of Fillmore City of Corona\* City of Norco\* City of San Bernardino EDA City of Redondo Beach\* City of Poway City of Indio\* City of Goleta City of Fontana\* City of Mission Viejo\* City of San Marcos

Mr. Shea served as the Interim Finance Director for the City of Perris from July 1998 to October 2001. He currently serves as the Contract Finance Director for one Riverside County city and one Los Angeles County city.

#### Continuing professional education

Mr. Shea has completed over 120 hours of continuing professional education courses in the past three years, of which, the following select courses are relevant to this engagement:

- American Institute of Certified Public Accountants, Foundations in Governmental Accounting
- American Institute of Certified Public Accountants, Governmental and Not-for Profit Conference
- · California Society of CPAs Education Foundation, Governmental Auditing Skills
- ♦ Thomson Reuters, Audits of State and Local Governments

### Professional affiliations

Mr. Shea is a member of the following professional organizations:

- ♦ American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- Government Finance Officers Association (GFOA)
- California Society of Municipal Finance Officers (CSMFO)

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

#### Resumes of key engagement personnel (continued)



Brad A. Welebir, CPA, CGMA, MBA Concurring Partner

Professional experience

Mr. Welebir joined Rogers, Anderson, Malody & Scott, LLP in January 2004. He works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations. Prior to joining our firm, he worked at Sam's Club, where he was the operations manager and at La Sierra Academy as the accountant.

#### Education/licenses

Masters of Business Administration – Accounting Emphasis from California State University, Fullerton
Bachelor of Arts in Business Administration from La Sierra University
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of
Certified Public Accountants

Related professional experience

Partial listing of governmental entities recently served (\*includes enterprise fund accounting):

City of Poway
City of Twentynine Palms

City of Loma Linda\*

City of San Bernardino\*

City of Sierra Madre\*

City of San Jacinto\*

City of Moorpark\*

City of Fillmore\*
Town of Yucca Valley
City of San Juan Capistrano
City of La Verne

City of Mission Viejo\*

City of Rosemead

City of Redondo Beach\*

#### Continuing professional education

Mr. Welebir has completed over 120 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- California Society of CPAs Education Foundation, Governmental Accounting and Auditing Update
- American Institute of Certified Public Accountants, OMB A-133 Single Audit Update
- California Society of Municipal Finance Officers. Annual Conference Sessions
- Government Finance Officers Association, GAAP Update

#### Professional affiliations

Mr. Welebir is a member of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- Government Finance Officers Association (GFOA)
- ♦ California Society of Municipal Finance Officers (CSMFO)

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

## Resumes of key engagement personnel (continued)



Charles De Simoni, CPA, CGMA Engagement Manager

Professional experience

Mr. De Simoni joined Rogers, Anderson, Malody & Scott, LLP in January 2009. He works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations. Prior to joining our firm, he worked at Jasper Engines, where he was assistant branch operations manager.

#### Education/licenses

Bachelor of Science in Business Administration from California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of governmental entities recently served (\*includes enterprise fund accounting):

City of Norco\*
City of Capitola\*
Town of Yucca Valley\*
City of Moorpark\*
Helendale Community Services District\*
City of Grand Terrace\*

City of Chino\*
City of Redondo Beach\*
City of San Bernardino\*
East Valley Water Agency\*
City of Fillmore\*
City of Rosemead

#### Continuing professional education

Mr. De Simoni has completed over 120 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- Government Finance Officers Association, Annual Governmental GAAP Update
- American Institute of Certified Public Accountants, Annual Update for Accountants and Auditors
- California Society of CPAs Education Foundation, Local Government Financial Year End Close
- ♦ American Institute of Certified Public Accountants, GASB Update

## Professional affiliations

Mr. De Simoni is a member of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- California Society of Municipal Finance Officers (CSMFO)
- Government Finance Officers Association (GFOA)

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## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Resumes of key engagement personnel (continued)



# Nathan Statham, CPA, MBA Supervisor

Professional Experience

Mr. Statham joined Rogers, Anderson, Malody & Scott, LLP in January 2012. He works primarily on audits of governmental agencies and nonprofit organizations. Prior to joining our firm, he began his career in the real estate finance industry.

#### Education

Masters of Business Administration – Finance Emphasis from California State University, San Bernardino December 2011

Bachelor of Arts in Business Administration from California State University, San Bernardino December 2009

Certified Public Accountant - State of California

Related Professional Experience

Organizations that Mr. Statham has served include the following (\*includes enterprise fund accounting):

California State University San Bernardino Foundation\* City Poway\* Western Municipal Water District\* Inland Empire Resource Conservation District Elsinore Valley Municipal Water District City of Redondo Beach\*
City of El Cajon\*
City of Fillmore\*
Ventura County Public Finance Authority\*
Crestline Village Water District\*
National Orange Show\*

## Continuing Professional Education

Mr. Statham has completed 52 hours of continuing professional education courses in the past two years of which the following select courses are relevant to this engagement:

- California Society of CPAs Education Foundation, Governmental Accounting and Auditing Update
- American Institute of Certified Public Accountants, Single Audit Advanced Concepts
- ♦ Governmental Accounting Standards Board, Other Postemployment Benefits
- ◆ Thompson Reuters, GAO Standards Yellow Book
- ♦ KPMG, CSU GAAP Auxiliary Audit

#### Professional Affiliations

Mr. Statham is a member of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CSCPA)
- California Society of Municipal Finance Officers (CSMFO)

## Grant Bennett Associates

A PROFESSIONAL COMPORATION



P.O. Box 223090 Princeville: di 36727

888/769-7323

#### SYSTEM REVIEW REPORT

June 30, 2015

To the owners of Rogers, Anderson, Malody & Scott, LLP and the Peer Review Committee of the California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott 11 P (the firm) in effect for the year ended November 30, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aiepa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP in effect for the year ended November 30, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiencytics or fail. Rogers, Anderson, Malody & Scott, LLP received a peer review rating of pass.

GRANT BENNETT ASSOCIATES A PROFESSIONAL CORPORATION Certified Public Accountants





#### RECENT GOVERNMENT CLIENTS SERVED

				CSMFO/		
				GFOA	Successor	Housing
Government Client	<u>Year</u>	rs Se	<u>rved</u>	<u>Awards</u>	<u>Agency</u>	<u>Authority</u>
City of El Cajon	06/30/07	to	06/30/16	Yes	Yes	Yes
City of Fillmore	06/30/08	to	06/30/16		Yes	Yes
Town of Yucca Valley	06/30/08	to	06/30/16	Yes	Yes	Yes
City of La Verne	06/30/11	to	06/30/16	Yes	Yes	Yes
City of San Jacinto	06/30/11	to	06/30/16		Yes	Yes
City of Twentynine Palms	06/30/11	to	06/30/16	Yes	Yes	Yes
City of Chino	06/30/11	to	06/30/16	Yes	Yes	Yes
City of La Mesa	06/30/11	to	06/30/16		Yes	Yes
City of Rosemead	06/30/11	to	06/30/16	Yes	Yes	Yes
City of Moorpark	06/30/12	to	06/30/16	Yes	Yes	Yes
City of Menifee	06/30/14	to	06/30/16	Yes		
City of San Marcos	06/30/14	to	06/30/16	Yes	Yes	Yes
City of Capitola	06/30/12	to	06/30/16	Yes	Yes	Yes
City of Redondo Beach	06/30/12	to	06/30/16	Yes	Yes	Yes
City of Loma Linda	06/30/13	to	06/30/16	Yes	Yes	Yes
City of Poway	06/30/14	to	06/30/16	Yes	Yes	Yes
City of Sierra Madre	06/30/12	to	06/30/16	Yes	Yes	Yes
City of Claremont	06/30/16			Yes	Yes	Yes
City of Hawthorne	06/30/16			Yes	Yes	Yes
City of Aliso Viejo	06/30/16			Yes	No	Yes
City of West Covina	06/30/16			Yes	Yes	Yes
Successor Agency to the County of SB	06/30/14	to	06/30/16			
City of Rolling Hills	Accoun	ting	support			
City of Rancho Mirage	Accour	iting:	support			
City of Baldwin Park	Accour	iting	support			
City of Canyon Lake	Accour	nting	support			
Crestline Village Water District	04/30/96	to	04/30/15			
Crestline-Lake Arrowhead Water	06/30/98	to	06/30/16			
San Bernardino Valley Muni Water Dist.	06/30/04	to	06/30/16			
Elsinore Valley Municipal Water District	06/30/15	to	06/30/16	Yes		
Ventura Regional Sanitation District	06/30/07	to	06/30/16	Yes		
Saticoy Sanitary District	06/30/07	to	06/30/16			
Helendale CSD	06/30/10	to	06/30/16			
Pine Cove Water District	06/30/10	to	06/30/16			
ldyllwild Water District	06/30/11	to	06/30/16			
Vallecitos Water District	06/30/15		06/30/16			
Big Bear Area Regional Wastewater	06/30/12	to	06/30/16	Yes		
Beaumont Basin Watermaster	06/30/13	to	06/30/16			
Mojave Water Agency	Accour	nting	support			
Running Springs Water District	Accour	nting	support			
Phelan Pinon Hills CSD	Accour	nting	support			

# Attachment B (continued)

#### RECENT GOVERNMENT CLIENTS SERVED (continued)

				CSMFO/		
				GFOA	Successor	Housing
Government Client	<u>Year</u>	s Sei	ved	<u>Awards</u>	Agency	Authority
Costa Mesa Sanitary District	06/30/15	to	06/30/16	Yes		
Yucca Valley Airport District	06/30/15	to	06/30/16			
Inland Empire Resource Cons District	06/30/04	to	06/30/16			
Rosamond Community Services District	06/30/15	to	06/30/16			
Rossmoor Community Services District	06/30/05	to	06/30/16			
Rim of the World Park & Rec District	06/30/06	to	06/30/16			
Ventura County Regional Energy	06/30/07	to	06/30/16			
Heartlands Communications Fac Auth	06/30/07	to	06/30/16			
Heartlands Fire Training Auth	06/30/07	to	06/30/16			
Consolidated Fire Agencies	06/30/14	to	06/30/16			
Riverside County Habitat Cons Agency	06/30/15	to	06/30/16			
SB Fire Training Authority	06/30/10	to	06/30/16			
Capistrano Bay CSD	06/30/13	to	06/30/16			
Ventura County Public Fin Authority	06/30/12	to	06/30/16			
CSUSB - Student Union	06/30/05	to	06/30/16			
CSUSB - Associated Students Inc.	06/30/10	to	06/30/16			
CSUSB - Philanthropic Foundation	06/30/11	to	06/30/16			
CSUSB - University Enterprise Corp	06/30/11	to	06/30/16			
United Water Conservation District	06/30/15	to	06/30/16	Yes		
Sativa Water District	06/30/15	to	06/30/16			
Riverside County HCA	06/30/15	to	06/30/16			
Nipomo CSD	06/30/16					

# City of California City

#### PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

# Rogers, Anderson, Malody & Scott, LLP Certified Public Accountants

#### **Cost Proposal**

The annual fee for the fiscal years as listed shall not exceed the following:

	20	015-16	2	016-17	2	2017-18
City	\$	34,550	\$	35,500	\$	36,450
Single Audit, if required*		3,280		3,360		3,440
State controllers report		2,200		2,300		2,400
Total all-inclusive maximum price	\$	40,030	\$	41,160	\$	42,290

<sup>\*=</sup> First major program, each additional major program is \$3,000.

Percent modification for the fourth year 2.50% Percent modification for the fifth year 2.50%

Rates for other services outside the scope of the proposal are as follows:

Positition	Rate
Partner	\$ 250
Manager	170
Supervisor	120
Senior	110
Staff	85

#### Certification:

I, Scott Manno, Partner of Rogers, Anderson, Malody & Scott, LLP am empowered to submit this bid, and am authorized to sign a contract with the City of California City.

Scott W. Manno

Certified Public Accountant

#### CITY OF CALIFORNIA CITY

#### PROPOSAL FOR ANNUAL INDEPENDENT AUDIT SERVICES

For the Years Ended June 30, 2016, 2017, and 2018

(With Option to Extend for Fiscal Years Ended June 30, 2019 and 2020)

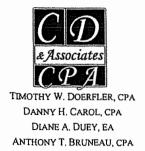
SUBMITTED BY: Cobb, Doerfler & Associates, CPA 1039 West Avenue J Lancaster, CA 93534 Phone: (661) 948-2661

> SUBMITTED ON: September 15, 2016

CONTACT PERSON: Anthony Bruneau, CPA

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### COBB, DOERFLER & ASSOCIATES, CPA

A PROFESSIONAL CORPORATION

MEMBERS

American Institute of
Certified Public Accountants

California Society of
Certified Public Accountants

September 15, 2016

City of California City 21000 Hacienda Blvd. California City, CA 93505

Attention: Jason B. Williams, CPA, Interim Finance Director

We are pleased to respond to your request for proposal for annual independent audit services for the fiscal years ending June 30, 2016, 2017, and 2018 for the City of California City (the City) with the option to extend the engagement for an additional fourth and fifth year.

It is our understanding that if our proposal is accepted under the terms of our engagement we will have assumed the following responsibilities:

- The provision of auditing services performed in accordance with generally accepted auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Governmental Auditing Standard (GAS), issued by the Comptroller General of the United States; and the provisions of the Single Audit Act and 2 CFR Part 200, subpart F, <u>Audits of State and Local Governments</u> (formerly U.S. Office of Management and Budget (OMB) Circular A-133.
- 2. The issuance of the following reports:
  - a. An auditor's report expressing an opinion on the fair presentation of the financial statements in conformity with generally accepted accounting principles in the United States of America.
  - b. A report on internal control over financial reporting on our tests of compliance with certain provisions of laws, regulations and grant agreements and other matters.
  - c. A report on whether the following information is fairly presented relative to the financial statements taken as a whole:
    - i. Nonmajor funds financial statements
    - ii. Nonmajor funds budgetary comparison schedules (appropriation limits worksheets)
    - iii. Combining nonmajor proprietary fund financial statements
    - iv. Combining private purpose trust fund financial statements
  - d. A report on following supplementary information for which no assurance will be provided:
    - i. Budgetary comparison schedules (appropriation limits worksheets)
    - ii. Management Discussion and Analysis
  - e. A report on internal control, on compliance for each major program, and on internal control over compliance required by 2 CFR Part 200, subpart F, Audits of Statement and Local Governments (formerly U.S. Office of Management and Budget (OMB) Circular A-133.
- 3. The preparation and the electronic submission of the State Controllers Financial Transactions Report.
- **4.** The preparation and submission of the Single Audit Reporting Package to the Single Audit Clearinghouse.

- 5. The provision of assistance as needed in drafting and preparing the management discussion and analysis portion of the financial statements.
- 6. The provision of various communications required under auditing standards and by the policies of our firm.
  - a. An engagement letter that specifies the terms of the engagement, its objectives, the responsibilities of each party, and any additional non-audit services that we have agreed to provide.
  - b. A letter to the City Council during the planning stages of the audit that describes our responsibilities, the planned scope of the audit, the timing of our procedures, and any other important matters that we might deem relevant.
  - c. If during our audit there are any weaknesses in internal control, noncompliance, fraud, theft, illegal acts, violations of contracts, etc. they will be communicated as they are identified so that management may take corrective action as soon as possible.
  - d. A management point's letter at the conclusion of the audit that formally describes any deficiencies not identified in the reports mentioned previously or opportunities identified during the audit for improving the accounting system(s) or increasing efficiency.
  - e. A letter to the City Council at the conclusion of our audit that describes any significant changes in accounting policies, changes in or significant accounting estimates, significant note disclosures, disagreements with management, etc. that were noted during the course of our audit.
- 7. Finally we will retain our audit workpapers for a minimum of seven years should those workpapers need to be reviewed by the state or other agencies or by successor auditors.

Based off of the contents of your request for proposal we believe that the above items represent all of the work to be performed as specified in your request. It is our anticipation that based off of our discussions with your staff that we will be able to complete the work by January 31, 2016 for this year and by December 1st for each subsequent year. It is our expectation that during each subsequent year that all requested audit materials will be delivered to us by August 31st of each year. Should there be additional items required that are not identified in this proposal we will make ourselves available to discuss them with you and modify the proposal accordingly.

Anthony Bruneau, CPA will be the engagement partner for this engagement and is the person that is authorized to make representations and to submit this proposal on behalf of our firm.

Respectfully yours,

Anthony Bruneau, CPA

inthomporum CA

Audit Principal

### FOR THE YEARS ENDED JUNE 30, 2016, 2017, AND 2018 (With Option to Extend for Fiscal Years Ended June 30, 2019 and 2020)

#### PROFILE OF FIRM

#### 1. NATIONAL OR INTERNATIONAL STATUS OF FIRM

Our firm is a local firm that provides services to clients located largely within the Antelope Valley and surrounding areas.

#### 2. LOCATION OF OFFICE AND STAFFING

Our office is located at 1039 West Avenue J in Lancaster, California. At the present moment we have three partners, two accounting staff, and two clerical staff.

#### 3. SERVICES PROVIDED

Our firm provides a range of accounting services depending on the needs of our clients. These services consist of but are not limited to:

- Financial Statement Preparation
- Financial Statement Compilations
- Financial Statement Reviews
- Financial Statement Audits
- Trust and Estate Accounting
- Audits Conducted in Compliance with:
  - Government Auditing Standards
  - Single Audit Requirements
  - o HUD specific auditing requirements

- Tax preparation and planning for:
  - o Individuals
  - Corporations
  - o Partnerships
  - o Trusts
  - Estates
  - o Non-Profits
- Various Consulting Services

#### 4. FIRMS COMPUTER CAPABILITY

The firm operates within a fully networked Microsoft Windows Operating environment. Our use of computer software and systems is extensive and all audit personnel are issued portable laptop computers for use in audit engagements along with routers and printers as necessary. The firm does, as needed, and as specified in the firm's policies manual employ consultants when necessary should electronic tests of accounting processes and controls need to be performed as part of the audit engagement.

#### 5. PEER REVIEW

As required by law, the Firm participates in the California Society of Public Accountants Peer Review program which is overseen by the State Board of Accountancy and the American Institute of Certified Public Accountants. The last year peer reviewed was the year ended June 30, 2013. In that peer review we were issued a pass with deficiency report. The sole finding reported during the review related to a matter unrelated to our audit practice. We are currently in the process of being peer reviewed for the year ended June 30, 2016. Should they be requested, we provide copies of the report (when available in the case of the June 30, 2016 report).

#### **SUMMARY OF QUALIFICATIONS**

#### 1. STAFFING

In addition to our two staff accountants, two partners will also be assigned to the engagement. The engagement partner will be Anthony Bruneau, CPA and the additional partner providing engagement services will be Danny H Carol, CPA. There will be no additional supervisory personnel assigned to the engagement. Please see the appendix for copies of their resumes.

#### 2. PRIOR EXPERIENCE

FOR THE YEARS ENDED JUNE 30, 2016, 2017, AND 2018 (With Option to Extend for Fiscal Years Ended June 30, 2019 and 2020)

#### SUMMARY OF QUALIFICATIONS - continued

- a. 2 CFR Part 200, Subpart F (formerly OMB Circular A-133) While our firm does provide Single Audit services to not-for-profit clients we do not currently have any governmental agencies or municipalities to whom we provide Single Audit Services. We currently provide Single Audit Services to two non-profit auditing clients who expend \$1 - \$3 in federal awards annually which were received through a variety of state and federal grants.
- b. Federal and State Grant Programs Due to our non-profit audit and accounting experience we have extensive experience in auditing for compliance with federal and state grant programs. Currently we provide audit and accounting services to over 50 local charities and churches. While many receive private funding, many receive funding from Federal State, and Local grant programs, all of which entail a variety of accounting, reporting, and compliance requirements.
- c. Experience with Government Bond Reporting Requirements At the present moment we do have experience with government bond reporting requirements. As needed we have assisted our clients with various schedules requested by their bond counsels and trustees.
- d. Professional Activities of Firm Related to Governmental Accounting In addition to being members of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants every member who is assigned to a governmental audit engagement is required to complete a certain number of hours of continuing professional education every two years.
  - For those members operating in a supervisory capacity or spend over a certain number of specified numbers per year on audit engagements, they are required to complete 80 hours training every two years. All other members assigned to governmental audit engagements are required to complete 24 hours of training every two years.
- e. Pending Regulatory Actions Presently there are no regulatory actions being taken against our firm.
- f. References to Municipal Audit Clients At the present moment we have no municipal audit clients. However, we do provide audit and accounting services to other government agencies and single audit services to various not-for-profit organizations. Their names, telephone numbers, addresses, types of services, and dates and lengths of service are as follows:
  - Quartz Hill Water District We have provided ongoing audit services in accordance with government auditing standards to the District beginning with the year ended June 30, 2011. Their contact information is: 5034 West Avenue L, Quartz Hill, California 93536 and (661) 943-3170.
  - ii. Antelope Valley Mosquito and Vector Control District We have provided ongoing audit services in accordance with government auditing standards beginning with the year ended June 30, 2012. Their contact information is: 42624 Sixth Street East. Lancaster, CA 93535 and (661) 942-2917.
  - iii. Lancaster Cemetery District We have provided accounting services to the District on a monthly basis since June 30, 2014. Their contact information is: 111 E Lancaster Blvd, Lancaster, CA 93535 and (661) 942-6110.

# FOR THE YEARS ENDED JUNE 30, 2016, 2017, AND 2018 (With Option to Extend for Fiscal Years Ended June 30, 2019 and 2020)

#### **SUMMARY OF QUALIFICATIONS - continued**

- iv. Antelope Valley Partners for Health We have provided ongoing audit services to Antelope Valley Partners for Health (a non-profit corporation) beginning with the year ended June 30, 2008 and Single Audit services beginning with the year ended June 30, 2013. Their contact information is: 44226 10<sup>th</sup> Street West, Lancaster, CA 93534 and (661) 942-4719.
- v. Antelope Valley Domestic Violence We have provided audit services, including Single Audit services, to Antelope Valley Domestic Violence (a non-profit corporation) beginning with the year ended June 30, 2015. Their contact information is: P.O. Box 2980, Lancaster, CA 93539 and (661) 949-1916.

#### SCOPE

Based off your request for proposal, it is our understanding that the scope of the services requested is as follows:

- 1. The provision of auditing services performed in accordance with generally accepted auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Governmental Auditing Standard (GAS), issued by the Comptroller General of the United States; and the provisions of the Single Audit Act and 2 CFR Part 200, subpart F, <u>Audits of State and Local Governments</u> (formerly U.S. Office of Management and Budget (OMB) Circular A-133.
- 2. The issuance of the following reports:
  - a. An auditor's report expressing an opinion on the fair presentation of the financial statement in conformity with generally accepted accounting principles in the United States of America.
  - b. A report on internal control over financial reporting on our tests of compliance with certain provisions of laws, regulations and grant agreements and other matters.
  - c. A report on whether the following information is fairly presented relative to the financial statements taken as a whole:
    - i. Nonmajor funds financial statements
    - ii. Nonmajor funds budgetary comparison schedules (appropriation limits worksheets)
    - iii. Combining nonmajor proprietary fund financial statements
    - iv. Combining private purpose trust fund financial statements
  - d. A report on following supplementary information for which no assurance will be provided:
    - i. Budgetary comparison schedules (appropriation limits worksheets)
    - ii. Management Discussion and Analysis
  - e. A report on internal control, on compliance for each major program, and on internal control over compliance required by 2 CFR Part 200, subpart F, Audits of Statement and Local Governments (formerly U.S. Office of Management and Budget (OMB) Circular A-133.
- 3. The preparation and the electronic submission of the State Controllers Financial Transactions Report.
- 4. The preparation and submission of the Single Audit Reporting Package to the Single Audit Clearinghouse.
- The provision of assistance as needed in drafting and preparing the management discussion and analysis portion of the financial statements.

# FOR THE YEARS ENDED JUNE 30, 2016, 2017, AND 2018 (With Option to Extend for Fiscal Years Ended June 30, 2019 and 2020)

#### SCOPE

- 6. A variety of communications required under various auditing standards and by the policies of our firm:
  - f. An engagement letter that specifies the terms of the engagement, its objectives, the responsibilities of each party, and any additional non-audit services that we have agreed to provide.
  - g. A letter to the City Council during the planning stages of the audit that describes our responsibilities, the planned scope of the audit, the timing of our procedures, and any other important matters that we might deem relevant.
  - h. If during our audit there are any weaknesses in internal control, noncompliance, fraud, theft, illegal acts, violations of contracts, etc. they will be communicated as they are identified so that management may take corrective action as soon as possible.
  - i. A management point's letter at the conclusion of the audit that formally describes any deficiencies not identified in the reports mentioned previously or opportunities identified during the audit for improving the accounting system.
  - j. A letter to the City Council at the conclusion of our audit that describes any significant changes in accounting policies, changes in or significant accounting estimates, significant note disclosures, disagreements with management, etc. that were noted during the course of our audit.
- 7. Finally we will retain our audit workpapers for a minimum of seven years should those workpapers need to be reviewed by the state or other agencies or by successor auditors.

#### **AUDIT FEES**

As specified in your request for proposal the audit fee schedule and the schedule of hourly charges for principals and staff for audit costs that are extraordinary to the scope of the proposal have been enclosed in a separate envelope.



#### Anthony T Bruneau, CPA

1039 West Avenue J Email: abruneau@cdacpa.net Phone: (661) 948-2661

#### Education

2006

California State University Bakersfield, Bakersfield, CA

Bachelors of Science degree in Business Administration with a concentration in Finance and

Accounting. Minor in Philosophy.

2004

Antelope Valley Community College, Lancaster, CA

Associate of Science degree in Business Administration and an Associate of Arts degree in Letters, Arts, and Sciences.

#### Career History & Accomplishments

2011-Present

Principal, Cobb, Doerfler & Associates, CPA

Oversee and manage multiple staff members and assist the managing partner in various administrative activities.

- Proactively engage in new client development and retention.
- Participate in various local organizations to promote the image of firm and improve the local community.
- Assist in new staff recruitment, evaluation and training.
- Act as the engagement partner for all audit engagements, including those engagements requiring expertise in GAAS, GAGAS, and OMB-A-133.
- Oversee the firms quality control and practice monitoring processes.

2006-2011

Senior Accountant, Cobb, Doerfler & Associates, CPA

Managed individual, corporate and non-profit accounts, oversaw the firms quality control and practice monitoring processes, and acted as the in-charge accountant for all GAAS and GAGAS audits.

- Planned and performed financial statement audits, reviews, and compilations in accordance GAAS, GAGAS, OMB-A-133, and SSARS.
- Experienced in preparing interim and annual financial statements in accordance with Generally Accepted Accounting Principles and other comprehensive basis's of accounting.
- Maintained clients books and records. Recorded and posted transactions, reconciled accounts to supporting and subsidiary ledgers, designed and evaluated financial controls and policies, and assisted in other aspects of maintaining a complete and accurate sets of books and records.
- Provided expertise in non-profit and for-profit accounting, reporting, budgeting, tax compliance, and other issues related to maintaining non-profit corporations, for-profit corporations and associations.
- Conducted client interviews and prepared individual, partnership, corporate, and non-profit income tax returns.
- Provided various other business advisory and consulting services.

#### Memberships & Licenses

- · Certified Public Accountant
- Member, American Institute of Certified Public Accountants
- · Member, California Society of Certified Public Accountants
- · Treasurer, Antelope Valley Board of Trade
- Member, Lancaster West Rotary

#### Continuing Professional Education

9/23/2014	Accountancy Laws, Ethics, Taxes and Financial Reporting Review
1/29/2015	Governmental and Non-Profit Update
5/26/2016	Cash Flow and Financial Statement Analysis
5/26/2016	Fraud Awareness Auditing
5/26/2016	Annual Update for Accountants and Auditors
5/28/2016	Applying Uniform Guidance for Federal Awards: Audit Reports
5/28/2016	Top Governmental & Not-for-Profit Issues Facing CPA's-GASB Statement No. 68: Accounting & Financial Reporting for Pensions (Yellow Book Compliant)
5/28/2016 ·	Applying the Uniform Guidance for Federal Awards: Responsibilities Under Auditing Standards: Identifying Federal Awards and Determining Major Programs (Yellow Book Compliant)
5/28/2016	Applying the Uniform Guidance for Federal Awards: Responsibilities Under Auditing Standards & Initial Planning Considerations (Yellow Book Compliant)
5/28/2016	Applying Uniform Guidance for Federal Awards: Understanding, Assessing, and Testing Internal Control & Testing Compliance With Federal Statutes & Regulations
5/29/2016	Budgeting
5/29/2016	Top Governmental & Not-for-Profit Accounting & Auditing Issues Facing CPA's-Non-exchange Transactions in Governmental Organizations (Yellow Book Compliant)
5/29/2016	Governmental Accounting and Reporting: Preparing the Government-Wide Financial Statements (Yellow Book Compliant)
5/29/2016	Top Governmental & Not-for-Profit Accounting & Auditing Issues Facing CPA's-GASB No. 61: The Reporting Entity (Yellow Book Compliant)

#### Danny H Carol, CPA

1039 West Avenue J Lancaster, CA 93534 Email: cdacpa@aol.com Phone: (661) 948-2661

#### Education

1984

University of California - Santa Barbara, Santa Barbara, CA

Bachelors of Science degree in Business Economics

#### Career History & Accomplishments

2003-Present

Principal, Cobb, Doerfler & Associates, CPA

Oversees and manages multiple staff members who work on various accounts in a variety of practice areas. Assist the managing partner in developing operating and capital budgets and various administrative activities.

- · Supervise, train, and mentor various incoming and existing staff members
- Provide technical reviews for all audits performed under Generally Accepted Government Auditing Standards and OMB Circular A-133.
- Conduct client interviews and prepare individual, partnership, corporate, trust and estate, and non-profit income tax returns.
- Provide customized contract controller and full charge bookkeeping services to midsized to large corporate and non-profit clients.
- Provide leadership in determining and implementing firm strategic initiatives.

1996-2003

Senior Accountant, Cobb, Doerfler & Associates, CPA.

Managed numerous individual, corporate and non-profit accounts, acted as the in-charge accountant for all GAAS and GAGAS audits.

- Planned and perform financial statement audits, reviews, and compilations in accordance GAAS, GAGAS, OMB-A-133, and SSARS.
- Prepared interim and annual financial statements in accordance with Generally Accepted Accounting Principles and other comprehensive basis's of accounting.
- Maintained various corporation's full set of books and records. Recorded and posted transactions, reconciled accounts to supporting and subsidiary ledgers, designed and evaluated financial controls and policies, and oversee other aspects of maintaining a complete and accurate sets of books and records.
- Assisted in non-profit and for-profit accounting, reporting, budgeting, tax compliance, and other issues related to maintaining non-profit corporations, for-profit corporations and associations.
- Conducted client interviews and prepare individual, partnership, corporate, and non-profit income tax returns.
- Provided various other business advisory and consulting services.

#### 1984-1996

Store Manager, Carols Department Store

- Trained and oversaw approximately 5-6 employees.
- Received and stocked merchandise, determined merchandise placement, store arrangement, and inventory pricing.
- Maintained the stores books and records and prepared all other needed operating budgets and projections.
- Oversaw the day to day store operations and performed day to day decision making.

#### Memberships & Licenses

- · Certified Public Accountant
- · Member, American Institute of Certified Public Accountants
- · Member, California Society of Certified Public Accountants

# ■ Continuing Professional Education

11/23/2015

9/23/2014	Accountancy Laws, Ethics, Taxes and Financial Reporting Review
12/15/2014	Governmental and NonProfit Update
11/9/2015	Fraud Awareness Auditing
11/16/2015	Cash Flow and Financial Statement Analysis

Annual Update for Accountants and Auditors

# FEE PROPOSAL FOR ANNUAL INDEPENDENT AUDIT SERVICES CITY OF CALIFORNIA CITY FOR THE YEARS ENDED JUNE 30, 2016, 2017, AND 2018

(With Option to Extend for Fiscal Years Ended June 30, 2019 and 2020)

#### **AUDIT FEE SCHEDULE**

Given the specified scope of the services to be performed the maximum cost of the annual audit including all other expenses such as typing, clerical, printing costs is as follows:

	2	015-16	2016-17	2017-18	•	Extended 2018-19	d)(lf	Extended) 2019-20	1
City of California City		25,000	\$ 25,250	\$ 25,502	\$	26,787	\$	27,056	
Single Audit		3,000	3,030	3,060		3,090		3,122	
Prep of State Controller's Report		1,000	1,010	1,020		1,030		1,040	
Total	\$	29,000	\$ 29,290	\$ 29,582	\$	30,907	\$	31,218	

#### HOURLY CHARGES FOR AUDIT COSTS THAT ARE EXTRAORDINARY

Principals	\$ 100	per hour
Staff	\$ 70	per hour

# FOR THE YEARS ENDED JUNE 30, 2016, 2017, AND 2018 (With Option to Extend for Fiscal Years Ended June 30, 2019 and 2020)

#### **AUDIT FEE SCHEDULE**

Given the specified scope of the services to be performed the maximum cost of the annual audit including all other expenses such as typing, clerical, printing costs is as follows:

					(If	Extended	fl)(b	Extended)	
	2	015-16	2016-17	2017-18	•	2018-19	, .	2019-20	
City of California City	\$	25,000	\$ 25,250	\$ 25,502	\$	26,787	\$	27,056	
Single Audit		3,000	3,030	3,060		3,090		3,122	
Prep of State Controller's Report		1,000	1,010	1,020	_	1,030		1,040	
Total	\$	29,000	\$ 29,290	\$ 29,582	\$	30,907	\$	31,218	

#### HOURLY CHARGES FOR AUDIT COSTS THAT ARE EXTRAORDINARY

Principals	\$ 100	per hour
Staff	\$ 70	per hour

# City Council Council Meeting Date: November 8, 2016

To: Mayor and City Council

From: Dispatch Supervisor Michelle Jones

Subject: Additional Funding for Radio Upgrade for Police Department

Communications Center

#### Background:

On August 23, 2016 City Council awarded SC Communications the funding to purchase and install the MIP5000 radio equipment at the California City Police Department Communications Center. SC Communications inadvertently misunderstood our upgrade plans at the Police Department and quoted us for a system that would only monitor 2 radio frequencies. As such the original quote does not include all of the equipment necessary to complete the install. SC Communications has quoted an additional cost of \$10,954.39 to complete the project.

The original quote was for 2 radio channels to be monitored at one time in the Communications Center. Currently, dispatchers monitor 6 different channels at once and therefore cannot drop down to only two channels. We were quoted for 8 channels for the licensing, however we were only quoted for 2 net ports. This means we need to purchase the rest of the net ports to be able to monitor the necessary channels. It was also discovered that an additional rack would be needed for the server room to hold all of the equipment. The rack has been included in the quote.

#### Recommendations:

Staff recommends Council approve funding for SC Communications to complete the final step in the upgrade for the radio system in the California City Police Department Communications center.

#### **Fiscal Impact:**

We are requesting to transfer \$10,954.39 from Fund 18-03110 (Retained Earnings) to Fund #26-4214-740 (Communications Center Equipment) to make up the costs to complete the project. The current balance for Fund #26-4212-740 is \$43,500.00. If approved the ending balance will be \$54,454.39. The beginning balance of Fund 18-03110 is \$295,143.53. Should the transfer be approved, the ending balance for Fund 18-03110 will be \$284,189.14. The total additional expenses will be \$10,954.39.

#### **Environmental Impact:**

N/A

The finance director has reviewed the staff report and finds the recommendation to be within the budget constraints of the Department.

CB2.



(661) 831-0191 www.sc-comm.com 5303 Woodmere Drive

### Estimate

Date	Estimate #
10/26/2016	5597

#### Name / Address

California City Police Department 21130 Hacienda Blvd. California City, CA 93505

Rep	Project
ANO	

Description	Qty	Rate	Total
24 Port Blank Keystone Patch Panel - Rackmount/Wallmount - Color:	1	23.00	23.00T
Black			
NavePoint Cantilever Server Shelf Vented Shelves Rack Mount 19" 1U Black 10" (250mm) deep	4	24.4625	97.85T
Cable Matters 25-Pack Caté RJ45 Keystone Jack in Black and Keystone Punch-Down Stand	1	39.00	39.00T
Monoprice 12/24 Screw for Rack, 50 -Piece, Black	1	13.00	13.00T
Tripp Lite 45U 2-Post Open Frame rack, Network Equipment Rack,	i	159.00	159.00T
800 lb. Capacity			
Tripp Lite 12 Outlet Bench & Cabinet Power Strip, 36 in. Length, 15ft Cord with 5-15P Plug	2	56.00	112.00T
10 Foot Mast 1 1/4 OD Rigid	4	28.00	112.00T
450-512 MHz, 3 dBd, Omni Fiberglass Base Antenna	8	179.00	1,432.00T
Wall mount bracket	8	37.00	296.00T
MIP 5000 VOIP MOTOTRBO GATEWAY	4	855.00	3,420.00T
Service pipe and cap 4inch	1	100.00	100.00T
Connectors	1	100.00	100.00T
LMR 400 Coax	1,000	1.25	1,250.00T
INSTALLATION  ***This Quote does not include additional mobile radios that will be	1	3,264.00	3,264.00
needed when channels 7 & 8 want to be monitored***			

#### THIS QUOTE IS BASED ON THE FOLLOWING:

This quotation is provided to you for information purposes only and is not intended to be an offer or a binding proposal.

If you wish to purchase the quoted products, SC Communications, Inc. will be pleased to provide you with our standard terms and conditions of sale (which will include the capitalized provisions below), or alternatively, receive your purchase order which will be acknowledged. Thank you for your consideration of Motorola products. Quotes are exclusive of all installation and programming charges (unless expressly stated) and all applicable taxes. Purchaser will be responsible for shipping costs, which will be added to the invoice.

Prices quoted are valid for sixty (60) days from the date of this quote. Unless otherwise stated, payment will be due within thirty days after invoice. Invoicing

will occur concurrently with shipping.

<b>Subtotal</b> \$10,417.85	
Sales Tax	(7.5%) <sub>\$536.54</sub>
Total	\$10,954.39

Signature		

# City of California City Budget Transfer Request Form

Department Requesting Transfer: 10/31/16
Department Head: FRANK HUIZAR Contact Phone: (760) 373-7042
Fund Number:/8
1.Transfer Funds out of account #: 18-03// O Title: RETAINED EARNINGS
Current Balance: 295, 143 53 Date Balance was Checked: 09/35/16
Transfer Funds into account #: <u>26-4214-740</u> Title: <u>Comm. CENTER EQUIPMEN</u>
Current Balance: 43,500 Date Balance was Checked: 09/35/16
Amount requested to be Transferred: 10, 954 39
Projected New Fund Balance and Budgeted Amount if approved: 284,189.14 54,454
Justification: COMPLETE RADIO VIGRADE FOR COMMUNICATIONS CENTER
Department Requesting Transfer:
Department Head: Contact Phone:
Fund Number:
2.Transfer Funds out of account #: Title:
Current Balance: Date Balance was Checked:
Transfer Funds into account #: Title:
Current Balance: Date Balance was Checked:
Amount requested to be Transferred:
Projected New Fund Balance and Budgeted Amount if approved:/
Justification:
Authorized Signatures for Account funds to be Transferred
Department Head Requesting the Transfer:  Date: 12/31/16
Print Name Signature  City Manager:
Print Name Signature
**************************************
For Finance Department Use Only
Are the funds available for transfer: YES No (one or the other must be checked)
Processed by: Date:
Approved by: Jeanie O Laugh in James City Date: 11-2-16